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A PERFORMANCE **R**EVIEW

CLASS **S**IZE **R**EDUCTION **P**ROGRAM

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PREFACE

The Class Size Reduction (CSR) Program was implemented through legislative action in 1996 as a financial incentive to encourage California school districts to establish and maintain class sizes in kindergarten and grades 1 through 3 at a student-teacher ratio of not more than 20 to one. Initially, districts were encouraged to implement class size reduction in three of the four grades with grade 1 as the first priority, grade 2 as the second priority and either kindergarten or grade 3 as the third priority. If a district implemented the program in accordance with statutory requirements, it received \$650 per student enrolled in a class of 20 or fewer students for a full day or \$325 for each student taught in classes of 20 or less for a half day. Under Senate Bill 804 (Chapter 298, Statutes of 1997), beginning with the 1997-98 school year, these amounts were increased to \$800 and \$400, respectively, and districts were allocated CSR funds for all four grades.

Senate Bill 804 also clarified that the purpose of the program was to reduce class sizes to 20 or less on a daily basis and that to qualify for State funding, a class's annual average class size could not exceed 20 pupils. Under the original CSR statute (Chapter 163, Statutes of 1996, as amended by Chapter 621, Statutes of 1996), class size had been defined in a manner that could be interpreted as requiring school districts to maintain class sizes of no more than 20 on only the last day of each school month. Senate Bill 804 also established in law detailed audit procedures for establishing districts' compliance with specific provisions of the CSR Program. Included among those procedures was a requirement for sampling each district's daily enrollment in CSR classes to determine its compliance with the class size limit of 20 students in each of those classes over the course of the school year.

This review of the CSR Program was performed by the Department of Finance's Performance Review Unit at the request of the Department's management because of concerns about the recently enacted audit provisions for the program. These concerns were expressed by several school district superintendents in a mid-summer 1997 meeting with the Department's management. During that meeting, the superintendents stated that collecting daily enrollment data would create a burden on district and school personnel. They maintained that daily enrollment data to measure compliance with the class size limit of 20 students was not readily available at either district offices or school sites and that to collect the information would require a costly and redundant data collection process and substantially increase the workload of district and school site personnel.

The Department's management asked the Performance Review Unit to visit a representative sample of school districts and school sites to determine the extent of the burden imposed by

SB 804. In addition, management asked the Unit to suggest changes to the statute if we found there are less burdensome alternatives that will assure the Administration, the Legislature and the public that districts are complying with intent of the CSR Program. This document contains our findings and recommendations.

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EXECUTIVE SUMMARY

In a mid-summer 1997 meeting with the Department of Finance's management, several district superintendents expressed concern about provisions in Senate Bill 804 that established a process for auditing the class sizes of classes participating in the Class Size Reduction (CSR) Program. These superintendents maintained that an audit of daily class size would create a burden on districts because the daily enrollment data necessary to verify compliance with the program requirements were not readily available and that collecting the data would substantially increase the workload of district and school site personnel.

The Performance Review Unit was asked by the Department of Finance's management to survey several districts to determine the extent of the burden imposed by SB 804 and to make recommendations to address the districts' concerns, provided the Administration would continue to have the assurance that districts are complying with the intent of the CSR Program.

To determine the extent of the districts' burden, we attempted to answer the following questions:

1. Are districts experiencing difficulties in recording and collecting enrollment data on a daily basis for each CSR class?
2. Are districts experiencing difficulties in monitoring CSR class sizes on a daily basis?
3. Are districts experiencing difficulties in providing their auditors with the data necessary to determine the districts' compliance with the CSR class size limit of 20 students?

We also surveyed school districts and certified public accountants who audit districts to determine whether the auditors are experiencing difficulties in carrying out the SB 804 audit provisions and to determine the audit costs associated with the newly enacted audit requirements.

In a survey of more than 100 school districts, we found that **enrollment data by class is readily available for audit purposes and that districts do not need to establish redundant systems of data collection to comply with the provisions of SB 804.** Each public school teacher is required to maintain a "State School Register," which includes a "Daily Attendance Record" listing the names of the students enrolled in the teacher's class at some point during an attendance period. We learned that, in addition to being the source document for audits of average daily attendance, the Daily Attendance Record is the information source for the CSR class size audits. Therefore, districts are not experiencing difficulties in maintaining

enrollment data and, although some auditors would prefer to use reports from the districts' automated systems to conduct their audits, virtually every district is easily able to provide auditors with daily enrollment data necessary to audit CSR classes.

Despite this, some districts indicated that the SB 804 audit provisions impose a burden on them because, unlike last year, they feel compelled to monitor CSR class size on a daily basis. Although the intent of the CSR Program is to have participating classes operate at 20 or fewer students for most days during the school year, several districts, prior to SB 804, seem to have assumed that they could comply with the Program's class size limit by ensuring that each CSR class averaged 20.4 or fewer students, based on the class's average enrollment on the last day of each school month that ends on or before April 15. These districts claim to have monitored their class sizes once a month before SB 804 was enacted. As a result of SB 804, they modified their procedures for monitoring CSR classes to ensure their class sizes were found in compliance with program requirements when they were audited. Many of these districts have developed computer reports for calculating average daily class size in each CSR class or contracted with the developers of their automated attendance accounting systems to develop such reports.

Of the 97 districts from whom we obtained information during this review, 41 percent said they had no problem monitoring their CSR classes because their class sizes never or rarely exceed 20 students or, when a CSR class exceeds 20 students, it does so only for a short period of time. Most of the remaining 59 percent believed they had to monitor class sizes more closely than they did prior to SB 804, to ensure that no class exceeds the maximum allowable average class size (20.4 for the purpose of audit compliance). Most of these districts established new procedures to monitor class size on a daily basis, and many began calculating the average daily class size for each CSR class on a regular basis. Nevertheless, based on the information provided by districts and developers of automated attendance accounting systems, we estimate that 75 percent of these districts either are able to adequately monitor CSR enrollment now or will be able to do so with the aid of a computer-generated report by the beginning of the 1998-99 school year. The remaining 25 percent, or about 12 percent of the districts we surveyed, said they will have major problems in closely monitoring average daily class size. Most of these districts cited as "major problems" their need to modify customized computer systems, the amount of work required to monitor class sizes, and the lack of an existing monitoring process at the district level.

Based on the information we received from districts and the developers of automated attendance accounting systems, **we conclude that, although many districts have had to modify their procedures and spend additional administrative time monitoring CSR class sizes as a result of SB 804, the vast majority (more than 86 percent) of the districts we surveyed currently have no problem monitoring their class sizes or will have a manageable monitoring process in place by the beginning of the next school year.** Moreover, many of the difficulties cited by the 12 percent of districts that said they will have major problems monitoring their CSR class sizes under SB 804 were also faced, and overcome, by other districts who already have adapted to the SB 804 requirements.

It appears that although many districts may have had initial concerns about collecting enrollment data, providing adequate enrollment information to their auditors, and monitoring their CSR class sizes, their main concern now lies elsewhere. Several districts told us they are concerned about having to respond more rapidly to situations in which one or more of their CSR classes exceed 20 students. For a variety of reasons, many of which are discussed in Chapter 3, it appears that prior to SB 804 several districts were operating some CSR classes in excess of 20 students for more than a limited number of days. SB 804 appears to have forced those districts to adhere more closely to the 20:1 ratio.

Many districts also stated that they are facing an increased need to transfer students within or between schools to ensure that the average daily class size of each class does not exceed 20. These student transfers not only result in principals spending significant amounts of time explaining to parents why their children must be sent to other schools or classrooms, but also retard the educational progress of the students who must be transferred. These problems seem to be especially acute and result in significant workload increases in districts with large migrant populations, high turnover, or large amounts of unanticipated growth. Districts with large concentrations of bilingual students also complained about the detrimental effects of placing bilingual students in classes that do not address their educational needs, a consequence of the districts' need to ensure that CSR classes do not exceed 20 students.

Although we recognize the administrative difficulties and conflicting priorities that district and school site staff encounter in attempting to comply with CSR Program requirements, we believe the issues raised by districts are inherent in the CSR Program's strict limit on class sizes and are not the result of SB 804. Moreover, because we did not attempt to verify the extent of districts' problems or verify that they had explored all options available to them, we have no basis for proposing changes to the CSR Program that would exempt districts from operating CSR classes at 20 or fewer students and still allow them to claim CSR funding. Nevertheless, we believe there are some changes that can be made to the Program to make it easier for districts to administer while maintaining the integrity of the 20:1 class size limit. Our recommendations follow.

- **We recommend that the CSR law be amended to allow districts to use either end-of-month or average daily enrollment figures for apportionment purposes.**

Whereas most districts will have the capability of calculating average daily enrollment by next year, many districts will not have this capability by then. Based on our conversations with school district staff, we believe that requiring them to calculate their average daily enrollment for CSR apportionment purposes would impose a significant burden on many districts.

- **We recommend that the CSR law be amended to allow districts to operate a limited number of classes at more than 20 students without jeopardizing their eligibility for CSR funding for the remainder of the classes and grade levels at any site. However,**

in no case would any class operated at a class size exceeding 20 be eligible for CSR funding.

Under current CSR law, districts must give top priority to reducing class size in grade 1 classes, followed by grade 2, and then either kindergarten or grade 3. If a district intentionally operates one class at grade 1 at more than 20 students, it loses its eligibility for all kindergarten, grade 2 and grade 3 CSR funding at the same school. We believe that denying a school site's eligibility for CSR funding for entire grade levels if one class in a higher-priority grade level exceeds 20 students is excessive. Therefore, we believe the CSR law should be modified to allow districts some leeway. However, in no case should the district be able to receive CSR funding for any class that exceeds 20 students. Examples of how the law could be amended to give districts this leeway are provided in Chapter 3.

- **We recommend that consideration be given to excluding some number of days at the beginning of the school year from the pool of days selected for the random sample of 15 days.**

Because of unanticipated growth and high turnover, districts face significant difficulties in keeping class sizes from exceeding 20 students during the first month of the school year. They are understandably anxious that a random sample which includes a disproportionately large number of days selected from the first month of the school year would lead to a costly, and unnecessary, in-depth review of most or all of the districts' CSR classes. To address their concerns, we believe districts should have the option of excluding a limited number of days from the beginning of the school year from the audit sample.

- **We recommend that consideration also be given to excluding a number of days at the end of the school year in the event a district chooses to use the actual annual daily average for its sample of classes, rather than the 15-day sample.**

It may make sense to exclude some number days from the end of the year because of the length of time it takes a district to open a new classroom once it determines that it is unable to accommodate all students in classes of 20 or fewer students in its existing classrooms. For example, if it normally takes a district a minimum of two weeks to hire a new teacher and arrange suitable space for a new class, it would make little sense for the district to attempt to open a new classroom during the last two weeks of the school year. We do not know how many districts face sudden increases in enrollment during the last month of the school year, but for those that may face this problem, a grace period at the end of the year may be appropriate.

- **We recommend that the CSR audit language be amended to require a minimum sample size of schools and classes, and to allow for additional auditor judgment and intermediate audit steps before an in-depth review is triggered.**

We believe that the current language, which triggers an in-depth review of the entire district if one CSR class is found out of compliance, is too stringent and should be modified to allow for appropriate intermediate steps. Intermediate steps include allowing an auditor to determine the extent of the problem (whether it is simply a clerical error, a problem at a specific school site, or a districtwide problem) and drawing a second sample when only one class at a school is found out of compliance. However, we also believe that the language should make it clear that the intent of the in-depth review is to reach a statistically valid conclusion about the district's overall compliance so that the sample results can be extrapolated districtwide. Moreover, to ensure that the samples chosen by auditors produce a representative picture of the district, we believe the language should specify a minimum sample size for the initial sample.

- **We recommend that the State Controller's Office amend its audit guidelines to include clear instructions for auditing Option Two classes.**

Currently, the State Controller's Office's audit guidelines do not provide adequate guidance to school district auditors on acceptable procedures for auditing Option Two classes. Moreover, staff of the State Controller and the California Department of Education seem to be giving differing advice to auditors on this matter. Because districts are confused and concerned about this situation, we believe that acceptable audit procedures should be specified in the State Controller's Office's audit guidelines.

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CHAPTER 1

INTRODUCTION

Class Size Reduction Program Requirements

The Class Size Reduction (CSR) Program¹ was established in 1996 to give school districts a financial incentive to reduce class size in kindergarten and grades 1, 2 and 3. The purpose of the program is to encourage districts to maintain class sizes of no more than 20 students per teacher for those grade levels. Although the program was created to establish a student-teacher ratio at or below 20:1, the program does not prohibit a class from exceeding 20 students on a given day, provided that its annual average class size does not exceed 20.

Districts have two options when choosing to participate in the CSR Program. Under Option One, districts are apportioned \$800 per student enrolled in classes that are at or below 20:1 for the entire school day. Under Option Two, districts are apportioned \$400 per student enrolled in classes at or below 20:1 for at least half of the instructional minutes offered per day, provided that the focus of instruction during this time is reading and math.

Current law also includes a provision that apportions \$650 to districts for each new student enrolled after February 16th for Option One classes and \$325 for Option Two classes. The State Board of Education recently adopted regulations² indicating that the reduced apportionment will be based on a net increase in enrollment after February 16th. The net increase in enrollment will be calculated based on the difference between the district's average class size before February 16th and its average class size after February 16th.

The CSR law also establishes grade level priorities for the implementation of the CSR Program at each school site. When implementing class size reduction at a school site, districts must give highest priority to grade 1. The next priority is grade 2, followed by either kindergarten or grade 3. Under a strict interpretation of the statute, if a district fails to reduce class sizes in all grade 1 classes at a school site, the district will not receive CSR funding for reducing class sizes in kindergarten and grades 2 and 3 at the same school site. Similarly, a district will not receive CSR funding for reducing classes in grade 3 or kindergarten at a school site if it fails to reduce all grade 2 classes at that same school site.

¹ The Class Size Reduction Program is set forth in Sections 52120-52128.5 of the Education Code.

² California Code of Regulations, Title 5, Subchapter 3.5, Class Size Reduction Program, Section 15133 (c).

The purpose of these provisions is to ensure that districts reduce classes in grades 1 and 2 before they reduce classes in kindergarten or grade 3. The law establishes these priorities based on implementation at a school site, not at a district level. Therefore, one school site can receive CSR funding for reducing classes in kindergarten through grade 3 while another school site in the same district implements only grade 1. The State Board of Education has adopted regulations to ensure that districts do not lose eligibility for CSR funding by unintentionally failing to adhere to the grade level priorities established in law.³ However, as discussed in Chapter 3, there is some uncertainty among districts about what constitutes an unintentional failure to reduce class size.

Current law requires an annual audit of each school district's financial situation, the average daily attendance the district claims for apportionment purposes, and other aspects of the district's operation.⁴ The audit must be conducted by a certified public accountant (CPA) who is independent of the school district. Subject to approval by the Department of Finance, the State Controller is responsible for developing guidelines for use by CPA firms in conducting these audits.

The CSR statute, as amended by SB 804, requires the State Controller to include in the audit guidelines instructions to the independent auditors on auditing district compliance with the CSR eligibility criteria specified in law. Among the areas to be covered by the audit are the district's compliance with (1) the maximum class size of 20, averaged over the school year; (2) the requirement that only certificated teachers be used to teach the classes for which the district is receiving incentive funds and that they be hired by a specific date; and (3) the requirement that teachers who teach students in the classes for which funding is claimed have received specified training.

The CSR law is very specific about the audit procedures to be used to determine the district's compliance with the requirement that class sizes be maintained at no more than 20.⁵ School district auditors are to use their judgment in determining the number of classes to audit in each district, but they must select a random sample of at least 15 instructional days from the start of the year until April 15. Moreover, if the auditor finds that one or more classes exceed a class size of 20.4, averaged over the 15 days, he/she must conduct an "in-depth review" of additional classes and days to assure himself/herself that no other classes for which the district has claimed CSR funds had an average class size exceeding 20.4. The district is authorized to choose one of two methodologies for the auditor to use in conducting this in-depth review. The first entails an audit of all CSR classes and all days. The second requires the auditor to select a sample of enough classes and enough days for each class sampled to enable the auditor to conclude with a 95 percent degree of confidence that there are no other classes in the district for which the average class size exceeds 20.0, with an error rate of no more than 0.4.

³ California Code of Regulations, Title 5, Subchapter 3.5, Class Size Reduction Program, Section 15131 (a).

⁴ Section 41020 of the Education Code.

⁵ However, in specifying audit procedures for CSR classes, the law does not differentiate between Option One and Option Two classes. As we indicate in Chapter 3, this presents some difficulty for auditors.

These audit procedures apply to 1996-97 and subsequent school years. However, if the only audit finding is that the district is not in full compliance with the 20:1 ratio during the 1996-97 or 1997-98 school year, the district will not face a reduction in its CSR apportionment. Reductions in apportionments for non-compliance will begin during the 1998-99 school year.

A district's CSR apportionments are based on the number of students enrolled in classes participating in the program. For school year 1996-97, CSR apportionments were based on enrollment counts on the last teaching day of each school month.⁶ Districts compiled their month-ending enrollment counts and used them to calculate average monthly enrollment for each CSR class. This monthly average was then rounded to the nearest whole number, reported to the California Department of Education on the J-7 CSR form, and used for apportionment purposes. Under State law, a class that has an average of more than 20 but no more than 20.4 would round down to 20 and would generate an apportionment based on 20 students. A class that averaged 20.5 would round up to 21, making it ineligible for CSR funding.

State School Register

California's Education Code requires that with some exceptions every teacher in the public elementary schools shall keep a "state school register."⁷ Further, Section 44809 (b) of the Education Code states: "There shall be recorded in each state school register the absence and attendance *of each pupil enrolled* in the classes taught by the teacher keeping the register ..." (emphasis added). In addition, the law authorizes the State Board of Education, subject to the provisions of State law, to adopt regulations governing the manner in which attendance information in all schools and classes shall be kept. These regulations are set forth in Title 5 of the California Code of Regulations (Title 5) commencing with Section 400. Moreover, because the register is considered a "Class 3 Record," it must be retained by the school district for at least three years.

In accordance with the regulations adopted by the State Board of Education, the California Department of Education developed "Form J-32, State School Register." (Selected pages from Form J-32 are contained in Appendix A.) School districts are required to use Form J-32 as the State School Register unless they receive prior approval from the Department of Education to use an alternative attendance accounting system. Approval for any alternative system depends on whether the system as a whole complies with the relevant provisions of the Education Code and Title 5.

⁶ In a December 19, 1997 letter to district superintendents, the California Department of Education gave districts the option of basing their final 1997-98 CSR operations apportionments on either end-of-month enrollment or average daily enrollment.

⁷ Section 44809 of the Education Code. The law allows exceptions to this requirement if the school registers are kept in a central office on behalf of the teacher by a district employee or, under certain circumstances, in a central file of individual pupil records.

Pages 4 through 15 of Form J-32 are especially pertinent to this review. The pages are labeled “Daily Attendance Record” and, when completed, show the names of the students enrolled in the teacher’s class at some point during the school attendance months. The Daily Attendance Record contains spaces to record each student’s attendance or absence on a daily basis for four instructional weeks (comprising a school month) and the arrival or departure dates of students who are newly enrolled in or leave the class during the school month. In addition, it contains a signature block for the teacher or authorized employee to certify that to the best of the teacher’s knowledge and belief, this record was kept as required by law and in accordance with instructions of the Superintendent of Public Instruction. The Daily Attendance Records traditionally have been retained at most school sites until the annual audit required by Section 14500 of the Education Code has been conducted and provides the source document for audits of average daily attendance. Moreover, we learned from auditors that we contacted during the course of this review that the same forms are being used to audit the daily enrollment of specific classes for the purpose of the SB 804 CSR audits.

Scope and Methodology of the Review

The scope of this review entailed a statewide assessment of the difficulty districts and/or school sites are having in (1) recording and collecting enrollment data on a daily basis for each CSR class; (2) monitoring CSR class sizes on a daily basis; and (3) providing their auditors with the data necessary to determine the districts’ compliance with the CSR class size limit of 20 students, averaged over the course of the school year. The study also was intended to determine the extent of problems that auditors are having in carrying out the provisions of SB 804 and, to the extent that cost information was readily available, to determine the additional audit costs imposed on districts as a result of SB 804.

To obtain the information requested by the Department’s management, staff from the Performance Review Unit contacted more than 100 school districts. While our selection of districts was not based on any scientific random selection process, we did attempt to ensure a representation of large, medium and small school districts. In addition, we were cognizant of the need to survey districts that may have unique problems in maintaining class sizes at 20 or fewer students, such as districts in rural areas, rapidly growing districts, districts with large migrant or transient populations, and districts with a large number of non-English speaking students.

To obtain a sample of districts that would be representative of districts statewide, we first divided districts into three categories: large, medium and small. We defined small districts as those that would operate fewer than 150 classes if they implemented the CSR Program in each of their K-3 classes. In general, this means that small districts are those operating fewer than 10 school sites. We defined medium districts as those that would operate between 150 and 299 classes at “full implementation” of the CSR Program, and large districts as those that would operate 300 or more classes at full implementation. In general, medium districts are

those operating between 10 and 20 schools; large districts are those that operate 20 or more schools. To determine the number of CSR classes each district would operate at full implementation, we estimated the district's K-3 enrollment from its reported California Basic Education Data System (CBEDS) enrollment for 1995-96 and divided it by 20. We then selected and contacted 48 small districts, 28 medium districts, and 31 large districts.⁸ Appendix B contains a list of school districts that we contacted during the review.

More than half of our contacts (62 districts) involved personal visits to district offices, where we met with superintendents, assistant superintendents for business services, assistant superintendents for personnel, directors of finance, business managers, auditors, accounting clerks, or other district staff that the district chose to involve in the meetings. The remaining districts were contacted by phone, with the contact usually being the district superintendent or assistant superintendent for business services.

When arranging our visits to districts, we asked district staff to select and schedule visits to two or three school sites. We wanted to hear first-hand about any difficulties that school staff were experiencing, or anticipated, as a result of the new audit requirements. When site visits were held, we generally met with the school principal and the school's attendance clerk or secretary. However, site visits did not occur at all the districts we visited. In part, conflicting schedules, school events, and the failure of district staff to arrange such meetings resulted in school site visits in only about half of the visited districts. In some cases, based on information provided by district staff, we concluded that visits to schools sites would not provide us with additional information.⁹ On several occasions, district staff invited staff from two or three schools to meet with us at the district office rather than at the school sites.

We planned for our visits to school districts to last approximately three hours, intending to meet with district staff for one to two hours and with two or three school sites for approximately thirty minutes each. We developed a set of questions to ask district and school site staff during each visit. The questions were designed to determine how enrollment data were collected and maintained, how auditors would audit district enrollment data, how districts monitored enrollment in the CSR classes during 1996-97, and what changes in district operations were necessitated by SB 804. In particular, we attempted to determine the extent of the problems districts were having in monitoring CSR class sizes as a result of SB 804.

⁸ While we contacted 107 districts, we did not obtain sufficient information from 10 districts to enable us to include those districts in the findings presented in Chapter 2 of this report.

⁹ On occasion, district staff advised us that school personnel were unaware of the audit requirements and would therefore be unable to comment on the difficulties associated with the requirements. In addition, during the late stages of our district visits, if we learned that school sites and/or a district used an automated attendance accounting system that was capable of producing reports that districts could use to monitor daily class size, we sometimes visited school sites only when the district staff indicated that school staff were unduly burdened by the SB 804 requirements.

For the most part, we accepted as fact the information reported to us by district and school personnel. While we reviewed and retained copies of some reports prepared by district and school staff, we made no attempt to validate the information contained in the reports. Furthermore, although we attempted to discern the extent of any problem the district said it was having in monitoring its class sizes, we did not document or attempt to verify other CSR Program problems or issues that were brought to our attention by the district. Examples of the latter problems are the difficulties districts were having maintaining class sizes at 20 or less because of the mobility of migrant population, the lack of available classrooms, the amount of time it took the district to obtain fingerprint approvals, and siblings who could not be accommodated in the same school or on the same year-round school track because of class size limitations.

Besides contacting and visiting school districts, we also contacted twelve developers of automated attendance accounting systems that are used by districts to maintain average daily attendance and enrollment information. The purpose of these contacts was to learn about the systems' capabilities, whether each system provided reports that were useful to district and school site staff for monitoring purposes or useful to auditors for the purpose of the CSR audits, and whether the developers anticipated making any changes to the software that might be useful for auditing or monitoring class size enrollment in the future.

We also contacted several independent certified public accountants (CPAs) who audit school districts to learn about their concerns regarding the new audit procedures and to determine how they are conducting the CSR audits under SB 804. In total, we spoke with 12 auditors employed by CPA firms that conduct more than 200 annual audits of school districts. We also had several conversations with audit staff of the State Controller, which has responsibility for developing audit guidelines for the mandated financial/compliance audits of school districts.

CHAPTER 2

SURVEY FINDINGS

This chapter presents the results of our survey of more than 100 school districts in which we attempted to answer the following questions: (1) are districts experiencing difficulties in recording and collecting enrollment data on a daily basis for each CSR class? (2) are districts experiencing difficulties in monitoring CSR class sizes on a daily basis? (3) are districts experiencing difficulties in providing their auditors with the data necessary to determine the districts' compliance with the CSR class size limit of 20 students, averaged over the course of the school year? (4) are auditors experiencing difficulties in carrying out the SB 804 audit provisions? and (5) what are the audit costs associated with the SB 804 requirements? During our survey of school districts and auditors, other issues were raised that merit attention. These are addressed in Chapter 3.

Availability of Enrollment Data

When we began our interviews with district and school site staff, we learned that many districts were both confused and concerned about the requirements imposed by the audit provisions of SB 804. In particular, we found that many districts were concerned they would not be able to provide their auditors with the enrollment data necessary to audit CSR classes. Many believed that they had to “reconstruct” enrollment data for each day of the previous year and had no idea how they would do so. Staff of some of the districts that were using the most widely-used automated attendance accounting system tried to do so by generating a standard enrollment report for each CSR class for each day of the previous year. Some of them found they could produce the report only for the current enrollment in each class and could not produce a report showing the enrollment on any day during the prior year.¹⁰ They concluded from this experience that it was impossible to use their automated attendance accounting systems to produce daily enrollment data for the prior year and that, unless they devoted a substantial amount of time to manually reconstructing their enrollment, their auditors would be unable to conduct the audits required by SB 804.

Many districts were concerned that they would have to establish a redundant tracking system that allowed them to provide enrollment data as well as attendance data to their auditors. This seems to have been a common notion that may be attributable, in part, to language contained

¹⁰ These staff were unaware that their attendance accounting systems contain another standard report that provides the information they sought.

in SB 298 and to information being disseminated by the California Association of School Business Officials (CASBO). For example, SB 298 states:

“The Legislature finds and declares all of the following:

(1) The Class Size Reduction Program is an important part of the education delivery system of California, and California school districts should not be discouraged from participating in the program due to excessive controls imposed by the state.

(2) California school districts that participated in the Class Size Reduction Program during the 1996-97 school year are now required by Chapter 298 of the Statutes of 1997 (Senate Bill 804 of the 1997-98 Regular Session) to *retroactively count the number of pupils enrolled in every class size reduction classroom for every day of instruction during the 1996-97 school year, commencing with the first day of instruction.*

(3) *Collection and reporting of daily enrollment can siphon millions of dollars from pupil education. It is appropriate to delay implementation of the class size enrollment collection so that school districts can be better prepared to implement a new system.*” (Emphasis added.)

Similarly, information obtained from CASBO’s web site on October 15, 1997 contains the following statement:

“CASBO argued that the hastily written language in SB 840:

1. Established a retroactive audit of 1996-97 information already previously audited.
2. *Instituted a new enrollment accounting system that does not currently exist for a school year that has already started.*
3. *Created an on going, redundant system of counting students based on daily enrollment which requires the time of principals, school secretaries and teachers on more paperwork not instruction.*” (Emphasis added.)

Both statements suggest that the methods districts currently use to track enrollment for each class are inadequate and that districts will have to create new enrollment accounting processes. However, when we consulted several of the auditors who had already conducted audits of CSR classes for the 1996-97 school year, we learned that they were using the Daily Attendance Record of the State School Register (see page 3) to determine enrollment and that most of them were not relying upon computerized data to conduct the audit. When we explained this to district staff, most of them expressed relief and indicated that if their auditors would accept the Daily Attendance Record as proof of enrollment they anticipated having no problem providing the necessary enrollment data to their auditors.

When we visited school sites and asked how enrollment information was being maintained, we found that most schools are maintaining daily enrollment information on forms that are

similar or identical to the Daily Attendance Record. Therefore, in most cases,¹¹ we were able to quickly dispense with two of the concerns raised by the superintendents in their meeting with Department of Finance management, i.e., the lack of available data on daily enrollment and the need to establish a redundant data collection process for maintaining enrollment data. From our discussions with district and school staff and our observations of the procedures being at schools, **we conclude that enrollment data by class are readily available for audit purposes and districts do not need to establish redundant systems of data collection to comply with the provisions of SB 804.**

This is not to say that all districts believed they had, or would have, no problem in providing their auditors the CSR enrollment information their auditors requested. In a small percentage (about three percent) of the districts we contacted, district staff indicated that their auditors required automated data to conduct the audits and that the cost of the CSR audits was expected to be significant because computer reports showing the daily class size of CSR classes were not available. Three other districts indicated they had some difficulty with their CSR audits because the auditors visited the district during the summer, when the district's schools (which housed the Daily Attendance Records) were closed. Staff of three other districts complained about the amount of time they had devoted to the audit process.

The first of these problems, being unable to produce computerized reports that show class size on a daily basis, seems to be confined to districts that use automated attendance accounting systems of their own making. When we surveyed developers of "off-the-shelf" automated attendance accounting systems, we found that all the systems are capable of producing reports that are similar to the Daily Attendance Record. However, some districts that are using their own automated attendance accounting systems do not have the ability to produce such reports. When we asked these districts whether their auditors were able to use the Daily Attendance Records that were being maintained manually at individual school sites, we were told that the auditors wanted to use only computer-generated data or that the district discourages its auditors from using manual reports because the cost of the audits increases if the auditors use them. We did not verify the accuracy of these statements about the audit costs. As noted below (see page 20), very little data on the cost of the SB 804 audit provisions are available. However, because auditors already are required to visit school sites to review average daily attendance information, among other things, it is likely that the lack of computer-generated enrollment reports adds very little to the overall cost of the audit. Without speaking to the districts' auditors and obtaining detailed information about how the CSR audits were conducted and how the audit process compared to that of previous years, we cannot determine the merits of the comments made by the three districts.

¹¹ We found one district that appeared unable to produce enrollment data in an easily accessible form for its auditor. The district operates a manual attendance accounting system and its teachers maintain attendance and enrollment information on 5x7 cards. This made it very time-consuming for the district's auditor to establish enrollment in a class on any given day. The district appears to be out of compliance with State law regarding the components of the State School Register but is currently developing an automated attendance accounting system that may be capable of addressing this shortcoming.

We also are unable to assess the significance of the third issue raised by district staff (the amount of time district staff devoted to the audit). District staff were vague about the amount of additional effort they were required to devote to the audit. Moreover, because of the widespread confusion about what information auditors would require to determine districts' compliance under SB 804, it is possible that, in these cases, district staff devoted more effort to the audit than was necessary. Another possibility is that this complaint was made as a general complaint about the new State requirements being imposed by SB 804. Many district staff, including those who said they had no problem with the audit or with monitoring their class sizes, complained about the State's imposing yet another requirement on them without justification.

Monitoring Enrollment in CSR Classes

Districts' responses to our questions about the difficulties they are encountering in dealing with the provisions of SB 804 fall into two categories: (1) responses dealing with the difficulties, or lack of them, encountered in monitoring class size; and (2) responses dealing with the difficulties associated with maintaining class sizes at 20 or fewer students. The first set of responses will be discussed in this section, the second in Chapter 3.

Although virtually all districts maintain daily enrollment data that can be used to audit their compliance with the CSR class size limit, some districts said the SB 804 audit provisions imposed a burden on them because they felt compelled to establish time-consuming procedures to monitor CSR class sizes on a daily basis. They complained about the need to address class sizes that exceed the 20 limit more rapidly than before SB 804 was enacted. In many cases, they seem to have assumed that, prior to SB 804, they had until the end of the month to address class sizes that were operating with 21 or more students. Now, under SB 804, they feel they are being forced to address these situations more rapidly and, in response, have modified their procedures for monitoring CSR class sizes. These districts usually stated that they monitored CSR classes last year by means of phone calls from principals who were having problems maintaining some of their CSR classes at 20 or fewer students, and by reviewing monthly reports submitted by school sites or generated by their computer systems. Several districts, including some that monitored CSR classes on a weekly basis during the 1996-97 school year, also felt compelled to calculate the average daily class size for each CSR class on a regular basis and developed customized computer reports, or contracted with the developers of their automated attendance accounting systems to develop reports, that display the average daily class size of each CSR class.

However, not all districts changed their monitoring practices because of SB 804. Many told us that they have always closely monitored their CSR class sizes and are continuing to do so under SB 804. Most of them, but not all, said they do not need to calculate average daily class size in CSR classes because their class sizes never exceed 20 or, if they do, the district quickly

finds a way to restore the class sizes to 20 or less.¹² We found that these districts use a variety of ways to monitor their CSR class sizes but generally devote only a modest amount of time to doing so. Furthermore, most districts were closely monitoring their end-of-month class sizes in kindergarten and grades 1 to 3 prior to the existence of the CSR Program to prevent the loss of apportionment funding associated with class sizes exceeding a specified number of students (32 or 33, depending on the grade) in those grades.¹³

Of the 97 districts from which we obtained usable information during our survey, 41 percent have CSR class sizes that never or seldom exceed 20 students or, when a CSR class exceeds 20 students, it does so only for a short period of time.¹⁴ On the other hand, 57 percent of the districts we surveyed said they spend a significant amount of time monitoring their class sizes to ensure that no class will exceed the maximum allowable average class size over the course of the school year (20.4 for the purpose of audit compliance). Most of these districts said they had established procedures to monitor class size on a daily basis, and many calculate the year-to-date average daily class size for each CSR class on a regular basis. Although several of them have developed computer programs to assist them in monitoring average daily class size, several districts with automated attendance accounting systems have developed manual processes for monitoring class size and have created spreadsheets for calculating average daily class size when necessary.

Where we found that a district was using its own (or customized) attendance accounting software, we asked the district if it had developed a report which calculated average daily class size, by class, or was in the process of developing such a report. Where we found that the district was using an automated attendance accounting system that was developed by one of the marketers of such products, we determined the system's capabilities from the district or the software developer. As we further describe in Appendix C, we surveyed 12 developers of

¹² Even in these cases, however, we often found that districts were confused about the specific requirements imposed by State law. For example, at least five districts were under the impression that State law required them to calculate, on a daily basis, the year-to-date average daily class size for each CSR class. One district pointed to the source of its confusion as a statement made in materials distributed by School Services of California, Inc. at its August 1997 conference. The specific statement reads: "Districts will be required to maintain running averages throughout the year to ensure student counts do not exceed 20.4." Although the statement may have been intended merely to serve as advice to district fiscal officers, some district staff evidently interpreted the statement as a statutory requirement.

¹³ Sections 41376 and 41378 of the Education Code specify various maximum allowable class sizes in kindergarten and grades 1 through 8 for purposes of apportionment of State funds to districts and require the Superintendent of Public Instruction to reduce district apportionments if those class sizes are exceeded. The method of computing the penalties for grades K-3 involves calculating both the per-class average class size and the per-district average class size for each grade level. The method also employs the end-of-month enrollment in each of the classes, not the daily enrollment in each class as is the case for the CSR Program.

¹⁴ We note that many of the districts (56 percent) who said their class sizes never, or rarely, exceed 20 students are small districts. In a survey we conducted in March and April, 1997 to determine districts' costs of implementing the CSR Program, we found that small districts generally had smaller class sizes than did medium and large districts. (Most small districts we surveyed operated many classes of 16-18 students.) However, about 10 percent of the small districts we included in both the current survey and our earlier survey stated that, unlike last year, some of their classes are beginning to exceed 20 students on occasion or are exceeding 20 students more often than last year.

automated attendance accounting systems to determine not only the capabilities of those systems but also the names of the districts using each system.

Based on districts' and software developers' responses to our questions, it appears that most (about 75 percent) of the districts who believe they need to spend a significant amount of time monitoring their class sizes either have already established a process with which they are comfortable for monitoring class sizes or will be able to adequately monitor their average daily class size by means of a computer-generated report by the beginning of the 1998-99 school year.¹⁵ The remaining districts (about 12 percent of the 97 districts) expect to have major problems complying with the CSR class size maximum of 20 students because of the difficulty they will have, even next year, in monitoring the average daily class size of their CSR classes or because of the amount of effort they must devote to the task of monitoring class sizes or to modifying their computer systems. These findings are presented in Table 1.

As indicated in Table 1, about 45 percent¹⁶ of the districts for which we obtained usable information said they need to closely monitor daily class sizes in their CSR classes and are either comfortable doing so today or will be able to do so by the beginning of the 1998-99 school year. Four of these districts told us that they are able to perform the necessary calculations only because they developed customized computer reports. One very large district (46,000 ADA) had a manual attendance accounting system last year but felt compelled to create a computerized system by the middle of this year in order to track enrollment. However, several other districts have established procedures that do not involve their computer systems, including phone, fax, or mail surveys of school site staff on a regular basis, to closely monitor their CSR class sizes. Even some districts with computerized systems have established manual reporting processes because they believe they cannot rely on their computer systems to give an accurate account of enrollment by class, either because of lags in data entry or because of mistakes made by attendance clerks or school secretaries.

As noted above, a total of 12 districts, about 12 percent of the districts on which we have usable information, said they will need to closely monitor average daily class sizes under SB 804 and expect to have major difficulties doing so. As indicated in Table 1, these districts cited as problems (1) the need to modify their customized computer systems, (2) the

¹⁵ We are basing this conclusion in part on the assumption that the major developers of automated attendance accounting systems will include a computer report that displays the average daily class size, by class, in a software upgrade occurring before the beginning of the 1998-99 school year. The developers of these systems are aware of districts' desire for such a report, and the major developers currently are developing one. (See Appendix C.) Three of the developers have not begun working on such a report and may not develop one before the beginning of next year. The software of the three developers is used in 3 districts included in our survey and a total of 20 districts statewide. Of the three districts we surveyed who use one of these products, none indicated a need to closely monitor daily class sizes; their class sizes rarely exceed 20 students.

¹⁶ Several of the districts in this category said that they are operating their classes at 20 or fewer students and seldom exceed a class size of 20. It appeared to us that the districts belong in the first category of districts, i.e., those that need to spend only a modest amount of time monitoring class size. However, because the districts said they need to spend a significant amount of time monitoring daily class size and even need to calculate the average daily class size of each class to ensure their CSR funding is not jeopardized, we placed them in this category.

TABLE 1
SURVEY RESULTS: MONITORING CLASS SIZES

Category of Problems\Category of District	Small	Medium	Large	Total	Percentage ¹
District has no problems monitoring class size because it never or rarely exceeds 20 students in a class	23	14	3	40	41%
District needs to closely monitor daily class size, but the monitoring process is manageable or will be so by the end of the year	17	10	17	44	45%
District expects to have major problems monitoring class size:	3	2	7	12	12%
District must modify its customized computer system				(2)	
District states it cannot afford to devote the required amount of time to monitoring class size				(3)	
District uses manual record-keeping				(3)	
District doesn't trust the accuracy of its computerized data				(1)	
District has archaic computer system, no resources to change system or to devote to CSR monitoring and principals may not cooperate in keeping class sizes at 20 or less				(1)	
District doesn't have a process for monitoring class size at the district level; principals have been assigned responsibility for monitoring				(2)	
District does not know whether it will have problems monitoring class size	1	0	0	1	1%
Total Number of Districts	44	26	27	97	100%

¹ Due to rounding, the percentages do not add to 100 percent.

amount of work required to monitor average daily class size, and (3) lack of an existing process at the district level for monitoring class size. It is interesting to note, however, that many of the difficulties cited by these districts were faced by other districts that have adapted to the SB 804 requirements and currently have a process for monitoring their average daily class sizes. Whereas some districts with customized computer systems may not have the number of computer programming staff they believe are necessary to modify their systems, it is not clear to us that even large districts need a computer-generated report to closely monitor CSR class sizes. Several large districts, including those with customized computer systems, are doing so without the use of computer reports. It also is important to recognize that districts do not need to compute average daily class size of individual classes if they never or rarely exceed 20 students. To some extent, districts have a choice of incurring additional expenses from operating their CSR classes at less than 20 students or incurring the additional administrative workload associated with monitoring classes of exactly 20 students. Many districts contend that keeping class sizes below 20 is an unwise fiscal decision and that even maintaining classes at 20 students is not as easy as it may seem. In Chapter 3, we present district comments about many of the difficulties they face in maintaining class sizes at 20 or fewer students.

In summary, we conclude that the vast majority (more than 86 percent) of the districts we surveyed currently have no problem monitoring their class sizes or will have a manageable monitoring process in place by the beginning of the next school year. We should acknowledge, however, that many of these districts also stressed that although they have adapted to the SB 804 requirements, they have done so only through a great deal of extra effort relative to last year. Clearly, when SB 804 was enacted, many districts were unable to monitor their class sizes as carefully as they felt was necessary. This perhaps explains some of the concern expressed by the superintendents who met with Department of Finance management this summer.

We should also note that many districts expressed concerns that go beyond their ability to monitor CSR class sizes. Several districts were concerned about the State requiring them to calculate average daily enrollment for the purpose of claiming CSR funding (see the next section of this chapter). In some instances, this was the district's only concern about the SB 804 changes. And many districts, including some that experience class sizes exceeding 20 students for only short periods of time, complained about the "reduced flexibility" associated with monitoring daily enrollment instead of monthly enrollment counts. They stated that it was much easier for them to administer the CSR Program when they believed they had until the end of the month to consider the impact of class "reorganizations" on limited English speaking students, to assess the impact of busing students on sibling groups, to hire new teachers, to lease necessary portable classrooms or otherwise find space, to talk to parents about the need to bus their children to nearby schools and to arrange new bus routes.

There is no question that administering the CSR program is more difficult if districts are held to the 20:1 standard on a daily basis rather than a monthly basis. With CSR compliance based

on average daily class size, districts cannot afford to maintain class sizes in excess of 20 for an extended period of time. They are forced to respond more rapidly to situations in which the 21st and 22nd students show up for class in schools with no more space and in schools that must hire additional teachers before they can open new classrooms. However, the CSR program was designed to operate at 20 or fewer students, not just on the last day of the month, but on most days during the month. The issue that policy makers must address is whether districts have good rationales for exceeding 20 students for more than a few days and in more than a limited number of classes. Thus far, policy makers have not recognized any reasons for exempting districts from the 20:1 requirement.

Use of Average Daily Enrollment for Apportionment Purposes

It is important to note that the findings in the previous section generally relate only to monitoring CSR class sizes for audit compliance purposes. They do not relate to calculating average daily class size for the purpose of claiming funding from the State. Several districts informed us that they would have major problems, at least in the short run, if the State were to require them to calculate average daily class size for apportionment purposes. Some of the districts had been informed by staff of the California Department of Education (CDE) that they would be required to do so for their 1997-98 apportionments. Others received this information from School Services of California, Inc (School Services).¹⁷

School Services and staff of CDE contend that (1) State law, as amended by SB 804, does not authorize the CDE to base CSR apportionments on end-of-month enrollment, as was the case in 1996-97; and (2) logically, the State should apportion funds to districts on the same basis as that on which auditors determine districts' compliance with the CSR Program's class size limit, i.e., average daily enrollment.

As indicated in Chapter 1, district apportionments in 1996-97 were based on the average enrollment in CSR classes on the last day of each month of the school year, from the beginning of the district's implementation of the CSR Program until the district's last school month that ends on or before April 15. According to staff of the CDE, this apportionment method was used because of the manner in which the CSR statute defined "class size." When SB 804 was chaptered, this definition was eliminated from statute. Consequently, CDE believes it is required by law to base future CSR apportionments on average daily enrollment in CSR classes. Because of the potential problems districts would encounter if this change were implemented in 1997-98, CDE has decided to give districts the option of using end-of-month enrollment or average daily enrollment for apportionment purposes during 1997-98. However, it intends to require districts to use average daily enrollment during 1998-99.

¹⁷ Materials distributed by School Services of California, Inc. at its August 1997 conference contained the following statement: "Annual average is presumed to replace monthly counts of J-7CSR."

Despite our conclusion that most districts with automated attendance accounting systems will, by the beginning of the 1997-98 school year, have reports that calculate average daily class size in CSR classes, many districts will find such a requirement burdensome. Some of the districts that use automated attendance accounting systems of their own design are comfortable monitoring their class sizes without the aid of a computerized report that calculates average daily class size and have not developed such a report, primarily because of the costs of modifying their computer systems. Two large districts also pointed to problems with the quality of their computer systems' enrollment data as a reason for not using their computer systems to calculate average daily class size for apportionment purposes.¹⁸ Furthermore, many districts (most of them are small ones) are using manual attendance accounting systems. Forcing them to calculate average daily enrollment in each CSR class for the purpose of claiming State funds would impose a significant workload burden on the districts.

Because of the burden that requiring districts to use average daily enrollment for CSR apportionment purposes is likely to impose on many districts, **we recommend that the CSR law be amended to allow districts to use either end-of-month or average daily enrollment figures for apportionment purposes.** However, to prevent districts with the capability of easily calculating average daily enrollment from shifting from one method to the other based on whichever method provides the largest amount of State funds, **we recommend that once a district selects average daily enrollment as its basis for CSR apportionments it be required to continue using that method until it can demonstrate that it can no longer use**

¹⁸ The problem of ensuring the accuracy of day-to-day enrollment data seems to stem from the current emphasis on attendance data and the lack of emphasis on day-to-day enrollment data. Until now, except for month-end enrollment counts that are required by the California Department of Education for determining whether class size penalties in grades K-8 should be assessed, school site staff have concentrated on ensuring the accuracy of attendance records, not enrollment records, and districts have developed procedures to help ensure that accuracy. Based on our discussions with several districts, it appears that errors in enrollment data are the result of: (1) the inexperience, workload demands or lack of diligence of staff who input enrollment data into computer data bases; and (2) the frequent movement of students from one class to another to ensure that class sizes remain at 20 or less. When attendance clerks are hard-pressed to process many new enrollments and student transfers in a limited amount of time, they might not have time to input all information, they may input some information incorrectly, or they may overlook some procedures, such as updating the class assignments of students who are transferred from one classroom to another at the same school. Often, these errors are not discovered until the end of the month, when the district or school prints the next month's Daily Enrollment Records that teachers will use to take attendance. Even after discovering the error, however, the district must rely upon the same attendance clerks/secretaries to correct the problems. If the error is not corrected immediately, or if the change is not made retroactively to the first day of the enrollment change or student transfer, a district's computer system may erroneously reflect 21 or more students in several classes for two or more months. This problem is aggravated by frequent turnover among attendance clerks in some districts. Some large districts said it is difficult for them to provide the continual training required to ensure the accuracy of the day-to-day enrollment data. Another told us that, while it did not have many errors of this type, when such errors occur, the district is unable to make corrections to its automated enrollment system because retroactive changes to the district's computerized data base are not possible. While these problems can be mitigated by changes to procedures and by providing clear instructions and training to attendance clerks and other school site staff, it is unlikely that the changes will occur in a short period of time. Moreover, although only a relatively small number of districts raised these issues, we believe these problems are likely to exist in most large districts.

its automated attendance accounting system to calculate its average daily enrollment.If policy makers are inclined to require districts to use average daily enrollment for apportionment purposes, we recommend that they make the requirement effective with the 1999-2000 school year to allow districts a year to implement an automated attendance accounting system if they do not now use one or to modify their customized attendance accounting systems.

Audit Procedures

During our review, we discussed the SB 804 audit provisions with staff of the State Controller and with several school district auditors. We found that several of the auditors were concerned about some aspects of those provisions and believed the statute should be amended. Several auditors complained about the specificity of the audit provisions, contending that audit procedures should be left to the auditors' professional judgment, as is the case for the rest of the annual school district audit. Other auditors expressed concern about the in-depth review, contending that for all but the largest school districts the statutory language would result in a 100 percent sample of classes and days if the auditor were to find that only one of the district's classes exceeded the class size maximum of 20.4 students. In their opinion, the in-depth review would be very costly and unwarranted. They believe the auditor's first responsibility upon finding that one or more classes exceeds the class size maximum is to explore the cause of the error to determine if it is an isolated incident, a schoolwide problem, or a districtwide problem. If the error seems to be an isolated incident, there should be no expansion of the audit. If the problem seems to be schoolwide, the sample of classes at the school site should be expanded. If the problem is potentially a districtwide problem, or at least affects more than one site, the audit should be expanded accordingly.

Finally, some auditors complained about the requirement that they select 15 days at random and stated their belief that randomly selecting one entire school month (20 days) would be less burdensome and provide equal or better assurance that the district was complying with the requirement that class size not exceed 20, on average. The auditors who expressed this opinion stated that if they were to find that a class frequently exceeded 20 students during the sample month, they would look at two additional months, the month preceding and the month following the sample month, to determine the district's compliance. These auditors also indicated they believe that the current procedure is burdensome because it requires them to look at six or seven months worth of data, i.e., six or seven separate Daily Attendance Records, for each of the sampled classes. For each month's data, they have to manually count the number of students listed on the page to determine the number of students who were enrolled in the class at some point during the month and then subtract the number of students who were not enrolled on the sample days to determine the actual enrollment for those days. The auditors believe that it is less burdensome to look at one month's data and perform the manual calculations for 20 days than to look at six or seven months' data and perform the calculation for 15 days.

We discussed these issues and the auditors' comments with staff of the Department of Finance's Education Systems Budget Unit who authored the audit provisions and the Department of Finance's Office of State Audits and Evaluation (OSAE). The budget staff indicated that, prior to SB 804, auditor judgment governed the selection of a sample of classes. They were concerned, however, that the existing process did not ensure that a large enough sample would be selected to enable the results of the audit to be extrapolated to the district as a whole. In other words, if an auditor were to sample only 20 of a district's 150 CSR classes and find that two classes are not in compliance with the maximum class size of 20, the State could not conclude that 10 percent (i.e., two divided by 20) of the CSR classes claimed by the district are ineligible for State funds and therefore would be unable to reduce the district's CSR apportionments by 10 percent. The SB 804 language specifying the methodology for the in-depth review is necessary, the budget staff believe, to ensure that a sample of sufficient size is selected to enable the auditor to draw a statistically valid conclusion, based on that sample, about the extent of the district's compliance with the statute and to enable the State to reduce the district's apportionments consistent with the audit finding.

Although we agree with the Department's budget staff regarding the need to draw a statistically valid, representative sample of classes before extrapolating the audit findings districtwide, we believe the language is problematic. The major shortcoming of the language, in our view, is that it does not distinguish among reasons for which a class size may be found to exceed 20.4 and therefore can lead to an expensive and unwarranted expansion of the auditor's sample size if only one of the sampled classes is found to have an average class size exceeding 20.4. One reason for which an in-depth review would not be warranted is that the sample selected by the auditor, although random, is not representative of the entire school year and includes an abnormally high (i.e., unrepresentative) number of days on which the class size temporarily exceeded 20. Although it appears to us that the law, which specifies a sample size of at least 15 days, may be interpreted to allow the auditor to correct for an unrepresentative sample of days by randomly selecting additional days, it is not clear that all auditors would choose to do so or would interpret the law in this manner. Another reason for which an in-depth review may be unwarranted is that the class was claimed as eligible for funding as a result of a clerical error that in all probability was a one-time occurrence. In one of our discussions with auditors, we were informed of an error made by an inexperienced attendance clerk who counted as a CSR class the students at the relevant grade level who were enrolled in a combination class containing other students not participating in the CSR Program. The clerk did not understand that the total number of students in the combination class had to be 20 or less for the students at the relevant grade level to be counted for CSR purposes. Clearly, if there were other classes at the school site that potentially involved the same or a similar situation, it would be appropriate to expand the audit and undertake an in-depth review of the school site. Furthermore, if there was reason to believe that other school sites had similar problems with inexperienced staff being responsible for determining which classes to claim for CSR apportionment purposes, it might be appropriate to initiate an in-depth review of the entire district. However, unless one of those conditions, or another

condition that suggests a systemic problem, applies, it seems inappropriate to initiate the in-depth review based upon the finding.

After discussing this issue with the Department's budget staff and staff of OSAE, **we conclude that the language should be amended to require a minimum sample size of schools and classes, and to allow for additional auditor judgment and intermediate audit steps before an in-depth review is triggered.**

Our recommendation would allow the auditor to review all instructional days during the school year to confirm that the district has at least one class with a class size that exceeds 20.4. Moreover, if the auditor finds that only one class exceeds an average size of 20.4 and that the sole cause of this finding is an unintentional clerical error that is unlikely to have occurred elsewhere in the district, he/she may conclude the audit without conducting an in-depth review. If the cause of the class exceeding an average size of 20.4 is determined to be other than a non-repetitive clerical error, the auditor would be required to draw a sample equal in size to the initial sample but would be allowed to use his/her professional judgment to determine whether the sample should be drawn solely from the school in which the audit finding occurred, from other schools included in the initial sample, or from all schools in the district. If the auditor then finds that additional classes within the school (or district, depending on the nature of the second sample) have average class sizes exceeding 20.4, an in-depth review would be triggered.

An important aspect of our recommendation is that the initial sample drawn by the auditor be of sufficient size to assure the Administration, Legislature and public that the audit is representative of classes throughout the district. If a minimum sample size is unacceptable to auditors or the Legislature, we recommend that the law require that if the auditor finds, in either the initial sample or the initial and second samples combined, that two or more classes have a class size that exceeds 20.4, the in-depth review be triggered automatically.

Regarding the final issue raised by the auditors we surveyed, i.e., drawing a sample consisting of a single month rather than 15 randomly selected days, we believe that relying on one month's enrollment data, even for a randomly selected month, can give a misleading picture of a district's average class size over the course of a year. Both the Department's budget staff and OSAE staff concurred with our assessment. Moreover, they expressed some concerns about relying upon the auditors to select two additional months if they find potential problems during the one month they had initially selected, as was suggested by the auditors with whom we spoke. Consequently, we considered the possibility of randomly selecting two months for each sampled class and ensuring that each month of the school year is sampled for at least one class. OSAE staff indicated that such a sampling method would satisfy the randomness conditions they felt were required only if the sampling is done with replacement. In their view, sampling without replacement would not ensure that the sample is representative of the entire school year. Upon further analysis, we concluded that the alternative of selecting two months at random, using sampling with replacement, could frequently lead to a situation in small districts in which all months of the school year are not represented in the selected

sample and could lead to inappropriately large sample sizes in medium and large districts. Consequently, we rejected this approach.

However, given our findings regarding changes being made to automated attendance accounting systems (see pages 12-14 and Appendix C), we note that it is likely that in 1998-99 approximately 60 percent of school districts will be able to provide their auditors with the computer-calculated average daily class size for the entire year for each CSR class. This will eliminate the need to select a sample of days for each class. Consequently, for 60 percent of the districts, the auditor will be able to satisfy the statutory provisions by examining a computer report showing the average daily class size over the course of the entire year for each of the selected classes.¹⁹ A sampling methodology will still be required in about 40 percent of the districts, mostly small ones.

Cost of CSR Audits

The cost issue was difficult for us to address because of the shortage of specific information about the costs districts had incurred as a result of SB 804.²⁰ No district provided detailed information about its cost of auditing CSR classes as a result of SB 804. In many cases, the 1996-97 audits had not yet been conducted when we surveyed the district. In some cases, the audit had been conducted but the staff with whom we spoke had no knowledge of the costs. Two districts cited a 25 percent cost increase resulting from the CSR audit. However, cost increases of this magnitude seemed to be the exception. When we spoke to several auditors who had conducted 1996-97 audits of districts' compliance with CSR Program provisions, we found that some auditors were hired under fixed-fee contracts and that the CSR costs could not easily be estimated. However, where the auditors had billed districts for the additional hours required for the CSR audits, we found that the CSR Program added between 3 percent and 10 percent to the cost of the annual audit. We note, however, that these figures reflect the cost of the entire CSR audit, not just the cost of calculating average daily class size in the sampled classes. When we asked the auditors how long it took them to compute the average class size from a sample of 15 days, the auditors estimated that the calculations for a sample of 10 to 15 classes would take three to five hours. Consequently, we are inclined to believe that cost increases of the order of 25 percent are the exception rather than the rule. However, because reliable information on the costs of the audits for a large sample of districts currently

¹⁹ However, the auditors will still need to verify that the computer-calculated average is accurate.

²⁰ We did not set out to collect information on the operational costs districts had incurred in implementing SB 804. However, one district that tracked its administrative costs attributable to SB 804 estimated that it had experienced a 15 percent increase in administrative time devoted to the CSR Program as a result of the bill. It is difficult for us to determine the validity of this claim, as we found that many districts' understanding of what the law required varied sharply from what we believe the law requires. Moreover, this claim conflicts with what we heard in other districts that had made few changes to their operations as a result of SB 804. One of those districts, which began monitoring class sizes on a daily basis in 1996-97, before SB804 was enacted, said that one administrator had devoted three hours per day during the first three weeks of the school year and one hour per week thereafter to monitor class sizes and to calculate average daily class sizes when necessary.

is not available, we are unable to estimate the statewide impact of the SB 804 audit provisions on districts' annual audit costs.

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CHAPTER 3

DISTRICT COMMENTS

Introduction

As we talked to district and school personnel about the difficulties and workload associated with the new audit requirements, the discussions inevitably included issues which in our opinion are inherent to the Class Size Reduction (CSR) Program and not the result of the new audit requirements. Understandably, the impact of the problems raised by districts and the districts' sense of urgency in resolving them are compounded by the new audit requirements, which reinforce the State's intention that districts participating in the CSR Program maintain class sizes at 20 or below for most of the school year. Many district staff said that, prior to SB 804, they felt less pressure than they do today to make immediate decisions to address CSR class sizes that exceeded 20 students, believing that they had until the end of the month to make changes that would reduce all class sizes to no more than 20 students.

Although we believe that many of these issues existed prior to the enactment of SB 804, we were asked by district officials to bring them to the attention of State policy makers. Moreover, we agree that some of the issues they raised merit changes to current law. The CSR Program is still new and school district personnel and State policy makers are still learning about the positive and negative aspects of the Program as more classes participate in it. We believe that a discussion of these issues highlights areas of the Program that policy makers may want to consider for future changes. It also serves to better inform the reader of some of the difficulties school districts are encountering in implementing the Program.

Student Transfers

Possibly the most emotional issue raised by school officials during our visits is the effects of "closed" classes, where all existing CSR classes for a grade level at a school site have the maximum 20 students and a new student arrives at the school to enroll in that grade. School officials are faced with the decision to enroll the student as the 21st student in one of the existing classes, open a new class, or transfer the student to another school where space is available in a class at the student's grade level. Because of the risks associated with enrolling the student as the 21st student in a class, most districts consider only the remaining two options. However, many school sites have no available space that can be used as another

classroom. As a result, the only option available to district officials and site administrators is to transfer the student to another school.

School principals spoke of several questions they faced before they opened another classroom at their school sites: (1) How soon should the new class be opened, immediately upon the arrival of the first 21st student or when enough students arrive to making opening another classroom economically feasible? (2) Which students should be transferred to the new classroom, only the new enrollee(s) or additional students who are assigned to another classroom? (3) What will be the impact on the educational progress of students assigned to existing classrooms who must be transferred to a newly-created class? (4) Should the school open a combination class instead of a class at a specific grade level? (5) If one or more combination classes already have been established to accommodate “overflow” students, should some of the students in the combination class be transferred to a newly-created class, even though they had been transferred from their initial classroom to the combination class when it was established? (6) How long will the hiring of a new teacher take, and will the hiring be delayed by the criminal background check required by State law? and (7) Should the school place a substitute teacher in the newly created classroom until a permanent teacher can be hired?

District and school staff often expressed concerns about the effects of transferring students who had bonded with their teachers on the students’ educational progress. This was a particular concern where frequent classroom “reorganizations” must occur to maintain the class sizes at no more than 20 students. School principals expressed concern about some of the transferred students having as many as three different teachers during this reorganization process: the original classroom teacher, a substitute teacher for two to three weeks, and the newly hired permanent teacher. If classes are reorganized more than once, some students stand the chance of being affected a second or third time, especially in schools with a highly mobile population. We heard that several students have four teachers when classes must be reorganized at the beginning of a school year, as occurs frequently in some schools. At schools with multi-track attendance schedules, classes in track 1 and track 2 of a three-track system frequently are not “set” until the third track comes on schedule. For example, the first two tracks may begin in July but the third track does not start until September. Because the school’s full enrollment is not known until the third track begins, students enrolling late may be assigned to track 1 or track 2 during the first week in October.

Also troublesome to the principals was deciding which students would be moved and which students would remain in the original class. School principals stated they often received complaints from parents when their children were moved to a different classroom after the beginning of the school year. Because of the young age of the students, parents voiced concerns about the impact on their children who had developed a strong bond with the teacher and other students, especially when the move comes several months into the school year. Some principals were concerned about the appearance of favoritism or partiality when moving children.

Several principals and district staff spoke about the time and workload involved with the constant reorganization of classes and the “shuffling” of students among classrooms. Staff of one school site in a large district indicated that they had reorganized their classes three times in eight weeks. While all the staff to whom we spoke believe strongly in the educational benefits of the CSR Program, some questioned whether these benefits are compromised when children are moved among classrooms during the school year.

Many district and school staff also complained about the “ripple” effect of classroom reorganizations and other changes necessitated by the CSR class size limit. The most common “ripple” effect raised by school officials is the number of students who are sometimes affected by the opening of another classroom. However, many more students may be affected if the district creates a new bus route or modifies an existing route to transfer additional students to schools with space for them. One district stated as many as 40 students have been affected by the modification of a bus route to accommodate additional students in the CSR program.

School and district staff also stated that once a decision is made to open a new classroom, students cannot be moved overnight. Even if a teacher is available for the new classroom, which is often not the case, school administrators must decide which students to move and then take the time to explain the move to the children and their parents. Depending on the number of children involved in the move, the process could take several days before school staff complete their discussions with parents. Until the process is complete, principals are reluctant to move a student.

If a school site has no space for additional classrooms, school or district staff must find space at another school when the 21st student enrolls. Although transferring students to other schools is common in many districts,²¹ some districts encounter significant parental opposition to such transfers. In some districts, we were told that parents make a decision to reside in a particular area because of their decision about which school they want their children to attend. Parents become particularly upset when, after moving to a specific attendance area, they learn that their children cannot attend the school of their choice. Even though the children may be placed on a waiting list in the event a space becomes available at the “home” school and the children have the opportunity to attend the school during the next school year, many parents are opposed to sending their children outside the “home” school attendance area. Both district and school officials mentioned occasions when newly enrolling family siblings were split and children were enrolled in different school tracks or, in some cases, at different school sites.

²¹ Districts that transfer students for purposes of CSR may or may not provide transportation to the different school site. We found that many districts bused students prior to the creation of the CSR Program and that CSR students are easily integrated into the transportation program. However, other districts do not have transportation programs and, therefore, require students to use personal or public transportation.

School officials say this issue becomes even more sensitive when the district has adopted a “developer fee”²² to finance the construction of new school facilities. One district stated that parents who pay these fees for the construction of school facilities in their attendance area are demanding that their children be allowed to attend those schools. The district staff questioned whether these parents should be denied this choice.

Several school administrators spoke about the time-consuming efforts to constantly meet with parents to explain the “closed” class situation and why their children must attend another school outside their home school attendance area. Many administrators were particularly concerned that this situation reduced the time they could be in the classroom, observing the CSR educational program and evaluating teachers’ performance.

As in the case of within-school transfers, district and school staff noted that transfers of students to other schools cannot occur overnight. Principals still must take the time to explain the move to the children and their parents, and the district may have to modify its bus schedules, or create new bus routes, to accommodate the transfers.

In our opinion, classroom “reorganizations” and the “ripple effect” are inherent in the CSR Program and will continue whether or not the 20:1 student-teacher ratio is increased and whether or not the CSR Program is modified to reduce the occurrence of classroom reorganizations. Throughout the school year, and for a variety of reasons, schools will be forced to move students, and some students will have more than one teacher during a school year, regardless of the student-teacher ratio set as the maximum for the Program. We recognize that a 20:1 ratio will lead to more transfers than a 25:1 ratio. However, the 20:1 ratio was established by policy makers as the maximum ratio because of the educational benefits resulting from operating classes at or below this ratio and probably will not be altered unless the problems discussed above become unmanageable.

While we recognize the significant additional workload that transferring students creates for school administrators and the dilemma that school districts face when classes are full and they are forced to consider transferring students within or between schools, **we do not have a sufficient basis to recommend changes to the CSR Program to alleviate these problems**. The issue of transferring students will undoubtedly continue to pose problems for some districts, but most districts have been able to deal with these problems, albeit with a significant workload increase for school site staff. Moreover, as the ramifications of the CSR Program become better understood, parents either will recognize and accept that not all schools will be able to accommodate all children in an attendance area, or will press school boards to make changes to accommodate more K-3 students in specific attendance areas,²³ or will decide that neighborhood schools are a higher priority than the CSR Program and convince the school board to discontinue the Program.

²² These fees are permissible under Section 17620 et seq., of the Education Code and Sections 65970 and 65995, et seq., of the Government Code. Once established by a district, a developer is required to pay the one-time fee prior to the construction of residential units but passes the fee along to future home buyers through the units’ purchase price.

²³ Some districts, for example, have reorganized attendance areas; others have converted K-6 schools to K-3 schools.

Unanticipated Growth

Many districts commented on the uncertainty of their first-day enrollment and the enrollment fluctuations that occur during the first three or four weeks of school. Some districts also reported difficulty in anticipating mid-year enrollments when new large residential housing areas first open for occupancy.²⁴ District staff stated that while they are aware of the construction within district boundaries and generally know when the construction will be completed, as well as the anticipated family size in each unit, they do not know when the units will be occupied or the ages of the students that will move into the units. As a result, they say the district is unable to plan for the new students in advance of their arrival and, instead, must react when the students first arrive at school. Once the students begin arriving at school, as noted in the last section of this chapter, the school is faced with an ongoing task of reorganizing classes, opening new classes or transferring students to other schools until its enrollment stabilizes.

If a school experiences unanticipated growth and there is a shortage of classroom space at the school, the school or the district must quickly find space elsewhere in the district. However, if the facility or space shortage is districtwide, it may take the district several weeks to achieve a class size of 20 students in each CSR classroom. Some of the districts we surveyed are rapidly-growing districts that have facility or space shortages, but so far the districts have been able to accommodate unanticipated students by busing them to other schools within the district. However, several districts with facility shortages, including some that are operating year-round schools, have had to implement CSR only in two or three of the four grades because of those shortages.

Criminal Background Checks

School and district staff cited delays in obtaining completed criminal background checks (i.e., “fingerprint checks”) by the California Department of Justice (DOJ) as creating problems for them in complying with the CSR class size limit. They noted that it is not uncommon for the checks to take two or three weeks. They also noted that recent legislation²⁵ reduced districts’ ability to quickly hire the substitute and temporary teachers they need to open a new class, placing existing classes at risk of exceeding the CSR class size limit and potentially jeopardizing their eligibility for CSR funding. They pointed out that while the legislation establishes mandatory time periods for DOJ to complete background checks for non-certificated employees (i.e., classified employees), a similar mandatory time frame does not exist for certificated employees.²⁶ As a result, they believe,

²⁴ This issue was raised by relatively few districts that we contacted. Nevertheless, because we did not ask questions relating to this issue at all districts, the difficulty may exist in other districts as well.

²⁵ Chapter 588, Statutes of 1997 (Assembly Bill 1610).

²⁶ Section 45125 of the Education Code, as amended by Chapter 588, Statutes of 1997, mandates that DOJ complete the background check for non-certificated employees within 15 working days after receiving the fingerprint identification cards.

DOJ places a higher priority on background checks for non-certificated employees while delaying the background checks for certificated employees.

We contacted the DOJ and the Commission on Teacher Credentialing (CTC) to assess the magnitude of this problem and to determine what actions, if any, either agency may be planning that will reduce the length of time it takes to perform criminal background checks. According to DOJ officials, the average time to complete the background checks for fingerprint cards received between July 1, 1997 and November 30, 1997 was 14 working days. Expedited checks were completed within 12 working days of receipt. DOJ staff also indicated that fingerprint checks for teachers are likely to take less time than the average fingerprint check because prospective teachers are less likely to have criminal records.²⁷ Moreover, in response to recent legislation establishing the electronic fingerprinting system, DOJ expects to begin installing local terminals at several sites by April 1998, including at the three largest school districts (Los Angeles Unified, San Diego Unified, and Long Beach Unified). DOJ anticipates that the new system will be fully operational by July 1998, assuming the development of computer software, at which time it expects to complete 95 percent of all fingerprint checks, including fingerprint checks for certificated employees of public school districts, within 72 hours.²⁸ Only fingerprints that indicate a criminal background for which complete information is not readily available and which require a review of court documents will not be completed within 72 hours.

The CTC had nothing to add, except to say that if a district's hiring a new teacher involves the issuance of a certificate by the CTC, the county office of education may issue a temporary certificate once the DOJ has cleared the individual for employment. The temporary certificate will remain in effect while the CTC processes the certificate application.

We recognize that the new fingerprint law has been a source of frustration for school and district staff in their attempts to deal with the SB 804 class size compliance provisions, which have created a sense of urgency for many district staff to open new classrooms as quickly as possible. However, based on information provided by DOJ, it appears that school districts may experience fewer delays in obtaining fingerprint checks for certificated employees during in the 1998-99 school year. In particular, if DOJ's timeline is achieved, at a minimum the three largest school districts in the State should be able to obtain DOJ background checks within three days of submittal.²⁹

²⁷ Some districts maintained that the criminal background searches for some of their teachers had taken 3 to 6 weeks. We did not attempt to verify the statements of either the districts or the DOJ.

²⁸ A DOJ task force has been considering options on where, besides the three school districts noted here, to place the terminals for its electronic fingerprinting system. It is likely that many of them will be placed in county-operated facilities. DOJ is required to include the number and location of the terminals in a report that is due to the Joint Legislative Budget Committee by March 15, 1998.

²⁹ Although DOJ is unable to say where other terminals will be located, we anticipate that teachers who apply for jobs in most school districts will have access to such terminals if DOJ's timeline is met.

Busing

Many districts are relying on busing as a way to keep their CSR class sizes from exceeding 20 students. Situations frequently arise where all a school's classes at one or more CSR grade levels have an enrollment of 20 students. In these situations, many districts will bus new enrollees to other school sites in the district that have space at the appropriate grade levels. Some districts have set up "overflow" schools that are designated to accept extra students throughout the district. Others have designated some of their schools as "impacted" and others as "receiving schools" and bus excess CSR students from the impacted schools to the receiving schools.

Although busing is useful for keeping a school's class sizes within the statutory class size limit, even in districts that use busing extensively, district staff indicated that it may take several days before the 21st student can be bused to a classroom with space. Several districts seem to be able to arrange transportation for the student within a day or two, but district staff often indicated that it typically takes three to five days to arrange it. Some of the lag may be due to delays at the district level, because the district has to determine if the students can be integrated into one of its existing bus routes without unduly disrupting bus schedules. However, there also may be lags at the school level, because principals must take the time to explain to parents why their children are being bused to another school.

If a district determines that it must create a new bus route to accommodate the 21st student or a group of students, it must weigh the cost of doing so against the cost of opening a new class at one or more of its school sites. If it determines that it can accommodate the student at a school located an hour or more from the student's residence, it may have to obtain the concurrence of the parent before busing the student. While all of these options are being weighed, schools frequently will enroll the 21st student on a temporary basis.

Some rural or semi-rural districts stated that busing for class size reduction can be difficult because the district's schools are geographically dispersed. In a few cases, busing may require that students be bused 15-30 miles one way, something many parents and principals find unacceptable. One semi-rural district we visited has a population that is dispersed like a bar-bell, where the highly-populated areas are at opposite ends of the district and there is little population in-between. Although in most cases the district is able to transfer students from one school to another within the same area, at least one situation arose where the classes for a grade level within one of the highly-populated areas were filled and student had to be bused from one end of the district to the other.

Staff of one large district mentioned that the district had to rearrange an existing bus route in order to accommodate new students in CSR classes and that the only suitable arrangement resulted in rescheduling the pick-up times of 40 other students. Rescheduling the pick-up times of other students, of course, required district or school staff to take the time to notify the families of these other students.

Mobile Populations

School districts that frequently deal with mobile populations indicated that they have had difficulty keeping classes from exceeding 20 students because of the unanticipated arrival of new students. Districts that have a significant amount of mobility indicated that their enrollment is like a “revolving door,” with a large number of students moving in and out of the district. In many districts, most school sites are relatively stable but a few school sites serve highly mobile populations. Other districts have highly mobile populations throughout the entire district. Districts that have a high number of welfare recipients and/or migrant workers usually face the most difficult challenges.

Mobile populations create problems for school sites when more students are enrolling than dis-enrolling. Although these districts do not necessarily generate a net increase in enrollment during the year, on any given day a school site may receive an influx of children without a corresponding number of students leaving. In this situation, the school site or the district must decide how to deal with these extra students. One option is placing students in classes that are already full, knowing that it is likely that another student will dis-enroll at some point. Another option is reorganizing existing CSR classes to better accommodate the new enrollment. Reorganizing classes can disrupt students’ educational progress, but the longer a district waits for “excess” students to dis-enroll, the more it runs the risk of exceeding the statutory class size limit, and the more disruptive reorganizations will be when the district decides it can no longer wait for students to dis-enroll.

A common problem cited by districts that exacerbates the problem of dealing with new students is the time it takes to dis-enroll some students whose parents have left the school attendance area or the district itself. In many instances, a student’s family will move without informing the school. After three or four consecutive unexcused absences, the school secretary or attendance clerk will attempt to determine whether or not the family has moved. In some cases, it may take a week or more before that determination can be made. In the meantime, the district often must choose among hiring a new teacher (perhaps a long-term substitute teacher), opening a new class, busing excess students to another school, and operating class sizes in excess of 20 students in the hope that some of the absent students have actually moved. Although most districts face similar problems dealing with extra students, districts with highly mobile populations are usually dealing with extra students much more frequently because of the demographics of their attendance areas, thereby making it more difficult for them to keep classes from exceeding 20 students.

School sites located in areas with a high percentage of welfare recipients usually indicated that they face mobility problems such as those described above. Several districts indicated that a number of welfare families move at the beginning of each month. Generally, the families move from one school attendance area to another within the same district. Thus, children from welfare families need to be enrolled in their new school and dis-enrolled from

their previous one. Districts that are trying to keep their classes from exceeding 20 face a problem if the new school's CSR classes are full.

Districts with a large number of migrant farm workers also face wide fluctuations in class sizes during the course of the school year. Districts with these populations, which usually leave the district after October and return between February and June, often operate their CSR classes at class sizes of 23 and 24 in September and October, at class sizes of 12-15 from November through January, and at class sizes of 16-20 from February through June. If a district operating the CSR Program in this manner under-estimates its returning Spring enrollment, it could find itself forced to hire new teachers at the end of the year, at a time when teachers may not be available. To a certain extent, these districts are able to deal with the mobility of migrant populations because the population moves at predictable times of the year. However, the difficulty is in estimating how many students will return and how many classrooms will be necessary to accommodate them. Failure to accurately estimate these unknowns may jeopardize the district's eligibility for CSR funding. This can be a serious problem if the district also faces other enrollment fluctuations, due for example to movement of welfare populations across district boundaries or unanticipated changes in the number of military personnel.

Several districts also indicated that a number of students return to their native countries during Christmas time. These vacations are usually for an extended period of time, ranging from three to eight weeks. In some cases, districts allow the student to enroll in Independent Study during this period. However, if the student will be gone for more than three weeks, most districts dis-enroll the student from school. The problems that extended vacations present for districts are estimating how many students will come back and funding the cost of classes that must be operated at class sizes of 15 or 16 students while the vacationing students are away. Because most students are dis-enrolled when they leave, there may or may not be a space for them in their original classes if they do come back, and districts often must place some of these students at other schools when they do return.

It is evident that districts with highly mobile populations face significant challenges in maintaining their CSR class sizes at 20 or fewer students. It is particularly important for these districts to know where they stand on their average daily enrollment in each CSR class when the migrant students begin returning in the Spring. However, most districts with a large migrant population that we surveyed are dealing with their mobility problems by closely monitoring class sizes and, where necessary, calculating average daily enrollment on a class by class basis.³⁰ **We do not believe the problems associated with migrant populations merit changes to the CSR program at this time.**

³⁰ However, one district with a large migrant population that was included in our survey may need a computer-generated report, which is not currently available, to make its job of monitoring class sizes easier. Based on the information we received from the developer of that district's automated attendance accounting system, we believe that the report will be available by the beginning of next year. However, even if the report is not available by then, we believe the district can make its monitoring job more manageable by hiring a computer programmer to develop an ad hoc report that would provide the same information.

Bilingual Education

Nearly all districts with large bilingual populations spoke of difficulties that bilingual students create for the district in maintaining CSR class sizes within the statutory limit. School staff noted that even when they may be able to predict school enrollment fairly accurately, they often cannot predict whether new students will require bilingual education. They observed that creating and staffing bilingual classes at 17 or 18 students in anticipation of additional bilingual students enrolling after the school year begins is not a prudent fiscal decision. They also noted that the issue becomes more complex if a school operates a multi-track attendance schedule or if a school's bilingual program includes several different languages.³¹

Districts indicated that their options are more limited when trying to place the 2nd student in a bilingual class. For example, the options of creating a combination class or moving a student from one class to another to open a seat for the new student are fewer than for regular students, simply because fewer bilingual classes are taught. Some districts claimed to have situations in which a school has only one bilingual class per grade level and in which one or more of those classes has more than 20 students. One district indicated that the best educational program for the students is retaining the bilingual class at 23 students instead of assigning three of the students to non-bilingual classes.

Principals at year-round, multi-track schools with bilingual programs also spoke of their need to temporarily "hold" a bilingual student in one class until an appropriate class on another track is in session.³² When a student first enrolls at a multi-track school, an available seat in a class that meets the student's educational needs may be in the track that is currently "off track," i.e., the track is out of session for four weeks. Because of State law which specifies the minimum number of instructional days that a student must receive, the school must review the student's previous education program and determine whether the assigned class will afford the new student the minimum number of instructional days. In some instances, the school must place (hold) the student in a class which currently is in session until the student's assigned class comes back on schedule so that the student receives the required number of instructional days. This "hold" can last anywhere from one day to four weeks.

Some principals cited the difficulties of keeping siblings together in the same school or on the same attendance track, especially when instruction in the appropriate language is a factor in deciding in which class to enroll students. Again, the limited number of bilingual classes reduces the school's options and schools may be forced to separate the siblings in order to

³¹ For example, Los Angeles Unified School District provides education instruction in six different languages at the K-3 level and instructional support for an additional 70 languages using teacher aides or volunteers in the classrooms.

³² Apparently, "holds" are not limited to bilingual students and may apply to other students as well, but the situation was mentioned most often in connection with bilingual students.

remain in compliance with the class size requirements and to meet the students' educational needs.

One district spoke about its English Learning Development (ELD) program. One of the district's 19 elementary schools offers the ELD classes and students from the other elementary school are transferred to this program on a temporary basis. When new students arrive in the district, they are tested for English language comprehension. Students requiring intensive English language instruction are transferred to the program and remain in it until they "test out," at which time they return to their home schools. In this situation, both the sending and receiving schools, primarily the latter, are uncertain about student enrollment and when the transfers will occur. As a result, planning for the proper number of classes and avoiding enrolling more than 20 students in a class becomes extremely difficult.

Although we recognize that some districts may have less flexibility in maintaining class sizes at 20 or less when dealing with bilingual students, we do not know the extent of the problems. Consequently, **we have no basis for concluding that the CSR Program should be modified to allow bilingual classes to exceed 20 students and still qualify for CSR funding.**

Districts' Recommended Changes to the Audit Process

Many district staff said that the CSR Program would be more manageable if the audit procedures for determining compliance with the CSR class size limit were changed. In particular, they recommended (1) changing the enrollment basis from "daily" to "monthly," "biweekly," or "weekly"; (2) providing a "grace period" of two to four weeks at the beginning of the school year for the purpose of sampling instructional days; and (3) allowing the district to demonstrate compliance by averaging class sizes across a school or across the entire district. Each of these is discussed below.

Enrollment Basis for Auditing Class Size

Several district staff recommended that end-of-month (instead of daily) enrollment be used as the basis for determining a district's compliance with the statutory class size limit. They reasoned that, in addition to being consistent with the current apportionment methodology and with the method that is used to determine "class size penalties" for apportionment purposes (see page 11), determining compliance based on end-of-month enrollment would provide them the flexibility they need to make rational decisions about placing the 21st student. Other officials suggested that if using end-of-month enrollment was not acceptable, using every 10th day, or every 5th day, would be preferable to using daily enrollment to determine compliance. Again, their rationale is that they need additional time to find space for the 21st student and to transfer or move them.

We believe the suggested changes are unnecessary and inadvisable. We believe they are unnecessary because the vast majority of districts already have adapted to the SB 804 provisions and are able to monitor their CSR class sizes on a daily basis and calculate average daily class sizes, if necessary, and that the remaining districts do not face insurmountable problems in similarly adapting to the provisions of SB 804. We believe the changes are inadvisable because shifting the basis for measuring compliance to biweekly or weekly, while giving districts the “flexibility” they desire, would require that new computer programs be written to produce reports that districts would want to use to monitor their “weekly average” or “biweekly average” class sizes.

More importantly, we believe the changes are inadvisable because giving districts the flexibility to maintain their CSR class sizes at 21 or more students for as many as 19 consecutive days, 9 consecutive days or, to a lesser extent, 4 consecutive days, conflicts with the purpose of the CSR Program, i.e., to provide districts incentive funds to maintain their classes sizes at 20 or less for most instructional days during the school year, not just every 20th, 10th, or 5th day. Although we encountered many districts that have strictly adhered to the intent of the Program, it was clear from our conversations with school district staff and officials that several districts have priorities that compete with class size reduction and that some districts attempt to minimize their CSR costs by operating classes of 21 or more students for as long as they can do so under State law. Therefore, we believe that if month-end enrollment is used as the basis for determining compliance, several classes in those districts will have class sizes of 21 or more students for up to 19 days before they are reduced to the required limit.

Grace Period

Many districts were concerned about the CSR Program audits including the first month of the school year, a time period during which districts find it especially difficult to maintain class sizes at 20 or fewer students. School district staff indicated that they do the best they can to estimate their enrollment for the first day of school. However, their estimates for overall enrollment, enrollment in specific grades, or enrollment at specific schools are frequently inaccurate. Although they can try to predict how many students they will have in specific grade levels at the beginning of the year, they never really know their enrollment until the first day of class. Therefore, during the first few weeks, districts struggle to find spaces for new students they were not expecting and try to determine if students who are enrolled but have not yet shown up for class have moved out of the district. In the meantime, districts may be forced to temporarily enroll one or more “excess” students in a CSR class that already has 20 students while they try to find a permanent place for the students. According to the districts, it takes two to four weeks before their enrollment settles down and students are permanently placed into a class.

Because districts are sometimes forced to temporarily enroll a 21st student in a CSR class during the first few weeks of the school year, they are concerned about the potential of the

15-day random sample including a disproportionate number of days within the first few weeks. If this were to happen, the sample would not accurately reflect their enrollment in CSR classes throughout the year. Districts are concerned that a 15 day sample that includes, for example, four days within the first three weeks, may find that a class exceeds the 20.4 average over those 15 days, thus triggering an in-depth review. Although most districts are confident that the in-depth review would illustrate that they are maintaining class sizes of no more than 20 students throughout the year, they are concerned about having to incur the additional cost of the review merely because the auditor's sample was not representative of the entire school year.

An idea that received widespread support among districts we surveyed is modifying the existing audit procedures to give districts a “grace” period at the beginning of the school year for the purpose of the audit. The idea is to exclude the first two, three, or four weeks of the school year from the 15 days selected by the auditors to determine compliance with the class size limit. Under existing law, the audit is based on a sample of 15 randomly selected instructional days between the first day of school through April 15. The idea is to modify existing law to allow the sample of 15 random days to be selected from the period beginning with the third, fourth, or fifth week of school through April 15.

We recognize that school districts face significant difficulties keeping class sizes from exceeding 20 students during the first month of the school year. We also believe that districts should not have to incur the cost of an in-depth review because a disproportionate number of randomly selected school days are chosen from the beginning month of the school year. Therefore, **we recommend that consideration should be given to excluding some number of days at the beginning of the school year from the pool of days selected for the sample of 15 days.**

It also may make sense to exclude some number days from the end of the year because of the length of time it takes a district to open a new classroom once it determines that it is unable to accommodate all students in classes of 20 or fewer students in its existing classrooms. For example, if it normally takes a district a minimum of two weeks to hire a new teacher and arrange suitable space for a new class, it would make little sense for the district to attempt to open a new classroom during the last two weeks of the school year. We do not know how many districts face sudden increases in enrollment during the last month of the school year, but for those that may face this problem, a grace period at the end of the year may be appropriate. Therefore, **we recommend that consideration also be given to excluding a number of days at the end of the school year in the event a district chooses to use the actual annual daily average for its sample of classes, rather than the 15-day sample** This recommendation does not apply to districts that choose to use the 15-day sample because the pool of days from which these districts' samples are drawn ends with April 15, not with the last day of the school year.

Averaging Enrollment across the School or District to Determine Compliance

As noted above, the CSR Program limits class size to 20 students on a class-by-class basis. However, because of the difficulties of keeping every class in each grade level within the statutory limit, some district staff suggested that schools be allowed to operate class sizes above 20 as long as the average across all classes at each grade level averages 20 or less for the school as a whole. Going one step further, some staff suggested that the average be calculated across all schools within a district. When discussing this proposal with us, some staff suggested establishing a maximum, for example 24 students, that no one class could exceed. Whether on a school or district basis, these staff argue that either change would enable them to better meet the educational needs of children and the preferences of parents while still holding to the concept of smaller class sizes.

This proposal has been discussed and rejected by State policy makers. Many educators and policy makers argued against the proposal, contending it could lead to significant disparities among classrooms at the same grade level within a school or among schools within a district. We concur with this observation and believe the most equitable approach for students, teachers and parents is to retain the current statutory requirement.

Audits of Option Two Classes

Current law allows school districts to operate the CSR Program, under Option Two, for at least one-half of the instructional minutes offered per day; however, the time claimed for CSR apportionment purposes must be devoted primarily to instruction in reading and mathematics. Although fewer than 25 percent of the districts that we contacted during this study have implemented Option Two, those that have done so reported difficulties or confusion concerning the procedures to be used in auditing Option Two classes.

While different methods of operating an Option Two program might exist, the most common approach described to us is the one involving a “roving” teacher. As we understand this approach, an Option Two class contains approximately 30 students, with two teachers being used for at least 50 percent of the instructional day, during which time reading and mathematics are taught. Therefore, for at least half the day the student-teacher ratio is 15:1. Because the second teacher is in a classroom for only half the day, that teacher can be a “roving” teacher who serves two different classrooms each day.

According to district staff who raised this issue, the difficulty with auditing Option Two classes is that the roving teacher is not assigned a particular classroom and, therefore, has no student enrollment. In the above example, all 30 students are enrolled in the class of the homeroom teacher and this teacher is responsible for maintaining the State School Register.³³

³³ See discussion on the State School Register in Chapter 1, page 3.

In the absence of a Daily Attendance Record for the roving teacher, school officials do not know what information can be used to document compliance with CSR Program provisions. In their opinion, no State-mandated report exists that will demonstrate that a class of 30 students, for example, had two teachers for half the day and during the time when reading and math instruction were provided.

We asked districts about their experiences with this issue when their independent auditors reviewed their 1996-97 program. In some cases, the audits were not complete and the staff were unaware of what the auditors might require. Some district staff indicated that the 1996-97 audit did not include a review of Option Two classes. In two cases, however, staff stated that the auditors had reviewed teacher lesson plans as a means of documenting the Option Two class sizes.

We also spoke to staff of the State Controller and the Department of Education and learned that the two departments seem to be giving different advice to districts and are not coordinating their responses. According to the staff of the State Controller, teacher lesson plans are one means of auditing Option Two classes, but the Controller's Office is reluctant to specify this in the audit guidelines because lesson plans are not required by State law. According to CDE staff, districts can satisfy the Option Two audit requirements by producing a teacher assignment document that is signed by the school principal and that indicates which teachers will be teaching Option Two classes during specific time periods. We have no opinions regarding the merits of either approach but, because of the amount of confusion and concern about this matter, we believe the State should clarify the issue. Therefore, **we recommend that the State Controller's Office amend its audit guidelines to include clear instructions for auditing Option Two classes.**

Loss of Funding for Lower-Priority Grade Levels Due to Intentionally Exceeding 20 Students in One Class

Several districts suggested modifying the provision of law that results in a school site losing eligibility for CSR funding for a grade level if it exceeds a class size of 20 in one or more classes in a higher-priority grade level. Under the priorities of the CSR Program, grade 1 is to be given top priority when districts implement the CSR Program; grade 2 is to receive the next highest priority, and kindergarten and grade 3 receive the next highest priority. If a district *intentionally* fails to reduce the class size of one of its grade 1 classes at a school site, the district will not receive CSR funding for reducing grade 2 class sizes or other lower-priority classes at that school site. In addition, a district will not receive CSR funding for reducing grade 3 or kindergarten at a school site if the district intentionally fails to reduce all grade 2 classes at the same school site. However, a school site will not lose eligibility for CSR funding for an entire grade level if the district *unintentionally* exceeded 20 students in a higher priority grade level.

Districts' concern about this rule arises from the potential that they will lose most of their CSR funding because of circumstances beyond their control or because they made fiscally prudent decisions. Districts have indicated that they incur the cost of hiring additional teachers and purchasing the facilities necessary for their CSR classes at the beginning of the school year, when they decide to implement class size reduction in certain grade levels. For this reason, districts are uneasy about the prospect of losing their eligibility for a significant amount of CSR funding after the expenses have already been incurred.

It remains unclear how "intentionally" and "unintentionally" will be interpreted for the purposes of enforcing this rule. However, staff at the California Department of Education have suggested two approaches for determining if a district unintentionally fails to reduce class size. One approach is to examine how close the average class size of the class in question is to 20.4. A class size average of 21, for example, may suggest that the district unintentionally exceeded the 20:1 ratio. However, an average class size of 23 or 24 would appear to be intentional. Determining compliance by observing how close the average class size is to 20.4 is a method also suggested in the audit guidelines issued by the State Controller's Office. A second approach, suggested by Department of Education staff, is to examine how the district dealt with a class exceeding 20 students. For example, a district that made no attempt to open a new class, bus extra students, or create combination classes to decrease the number of students in a class that averaged more than 20 students would appear to have intentionally exceeded the class size limit of 20. Although these approaches provide some guidance, much interpretation is left to auditor judgment and there is little assurance that the audit procedures will be administered consistently from district to district.

Despite an ongoing effort to keep classes from exceeding 20 students, a district, toward the end of the school year, may experience an influx of new students for which it has no available facilities or for which it is unable to hire qualified teachers. If the influx of students occurs on a districtwide level, busing may not address the problem at all schools experiencing the population increase. Although a case can be made that the district unintentionally exceeded a class size of 20 students, some auditors, and perhaps the Department of Education and the State Controller's Office, might want to see evidence that the district attempted to purchase or lease a portable or relocatable facility or rearrange space at all schools within busing distance of the affected school(s), and that it attempted to hire new teachers. If teachers were available for hire when the district was attempting to open a new classroom, but the district elected not to hire anyone because it believed none of the candidates possessed the desired qualifications, an auditor may question whether the district made a good-faith effort to hire a teacher and an audit finding may result. Moreover, even if space had been available and the district could have hired a teacher with the desired qualifications, the district still may have decided not to open another class because it was late in the school year and (1) parents and educators opposed transfers of students from an existing class to the new class and (2) the district was reluctant to open a new class for one to five students. Clearly, the latter situation can be considered intentional, and the district's eligibility for an entire grade level would be in jeopardy. However, the decision may have been a sound one, both educationally and fiscally.

Given the unpredictability of enrollment and other problems they face in administering the CSR Program, districts believe that making a school site ineligible for CSR funding for an entire grade level after the district already has staffed its schools to meet the CSR class size requirements is too severe a sanction for intentionally operating one class at more than 20 students. Staff of several districts believed that school sites should not lose eligibility for CSR funds for an entire grade level because one class at a grade level of higher priority exceeds a class size of 20 students. Some district staff believe it would be more reasonable if only the class that exceeds 20 students lose eligibility for funding, even if the district intentionally operated the class at more than 20 students.

Understandably, State policy makers are apprehensive about allowing districts to select the classes in which they will implement CSR. The concern is that districts may decide not to implement CSR in classes that generate the most administrative difficulties, e.g., bilingual classes and classes involving migrant populations. If a school site has the option of not implementing CSR in bilingual classes because the rest of their CSR funding would not be in jeopardy, potentially some districts will not implement CSR in those classes. This outcome would be undesirable because bilingual students, who are already facing difficult educational challenges, potentially have the most to gain from a lower class size.

Although we recognize this as a potential problem, we agree with districts that, under some circumstances, denying a school site eligibility for CSR funding for an entire grade level if one class in a higher priority grade level exceeds 20 students is excessive. Therefore, **we recommend that the CSR law be amended to allow districts to operate a limited number of classes at more than 20 students without jeopardizing their eligibility for CSR funding for the remainder of the classes and grade levels at any site. However, in no case would any class operated at a class size exceeding 20 be eligible for CSR funding.**

For example, districts could be allowed to operate some classes at more than 20 students provided that for each grade level at a school site at which one or more classes exceeds 20.4 students the average class size at that grade level does not exceed 20.4. Alternatively, each district could be allowed to operate one class per grade level, per site, at an average annual class size that exceeds 20.4 students.

We believe such a change in law would give districts more flexibility in managing CSR class sizes and would alleviate many of the problems discussed elsewhere in this chapter. At the same time, it would ensure that districts do not avoid implementing the CSR Program in classes simply because they are difficult to administer.

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APPENDIX A

STATE SCHOOL REGISTER, FORM J-32

This appendix contains selected pages from the *State School Register, Form J-32*. Pages 4 through 15 of the Register contain identical copies of the “Daily Attendance Record,” one for each month. Because these pages are identical, we included only Page 4 of the Daily Attendance Record in the appendix. That page and the remainder of the Register are printed in the pages that follow.

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STATE SCHOOL REGISTER



Record of Attendance in California Public Schools
for the Fiscal Year

Beginning July 1, 19__

Ending June 30, 19__

Teacher
Grade(s) or classification
School
District
County

See instructions on pages 1-2

See legal references on page 3

CALIFORNIA DEPARTMENT OF EDUCATION

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GENERAL INSTRUCTIONS

STATE SCHOOL REGISTER

The register is a legal document used for recording daily attendance and absence and other information required for the proper control and operation of certain public schools of the state. (The circumstances under which the document is to be used are explained in the general and specific instructions.) This register must be kept in accordance with the provisions of the *Education Code* and the *California Code of Regulations, Title 5 (5 CCR), Education*, and the directions of the State Superintendent of Public Instruction. No school officer or other person has authority to change these directions.

Accuracy is of the greatest importance. Neatness and care in recording attendance and other information are also important. All entries must be made in ink and are to be legible, neat, and orderly.

Any necessary corrections are to be clearly indicated. This record constitutes the basis for the fiscal claim for the base revenue limit average daily attendance (a.d.a.) (5 CCR, Section 400 [a]). As such this register is to be available for inspection by any authorized representative of the California Department of Education or the State Controller's Office. Falsification of this record is punishable by imprisonment or fine or both (Government Code sections 6200-6201).

In addition, records of attendance for every pupil must be kept to document general compliance with the compulsory education law and performance by a pupil of his or her duty to attend school regularly as provided in 5 CCR, sections 300 and 400(b), and *Education Code* sections 48200, 48400, and 49100.

RESPONSIBILITY FOR KEEPING REGISTERS

Elementary Schools. All elementary schools must use this register unless their district has received prior approval of the California Department of Education (School District Management Services Office) for an alternative system.

High Schools. This register is not intended for use in high schools, but it may be used at this level with the permission of the California Department of Education.

Attendance Categories

Regular Classes, Kindergarten Through Grade Eight. As much as possible and practical, registers should functionally separate attendance data for kindergarten, grades one through three, four through six, and seven and eight for audit and a.d.a. reporting purposes.

Special Day Classes. Special day class teachers are to keep the attendance in special education classes of students assigned by their individual educational programs to the basic jurisdiction of

these teachers. Each such class unit is to be kept in a separate register.

Home or Hospital Instruction. Attendance of students assigned to home or hospital instruction shall be kept in a separate register, and the hourly, positive attendance accounting method is to be used. Excused absences set out in *Education Code* Section 46010 are not applicable to home and hospital instruction.

Only those students with temporary physical disabilities who will be returning to regular classes may be assigned to home and hospital instruction.

Opportunity Classes/Continuation Classes. Separate registers are to be kept for the attendance of all students assigned to opportunity or continuation classrooms.

Independent Study. Attendance of all students participating in independent study is to be kept in separate registers.

"Positive" attendance accounting must be employed to credit contracted, accepted school assignments.

Summer School/Intercession. "Positive" attendance accounting in minutes/hours is required for summer school/intercession classes (5 CCR, Section 406 [f]). Excused absences are not permitted; nor does a minimum day exist. The number of days in the summer session and the length of the school day are determined by the local governing board.

Extended-year Special Education Classes. The attendance in extended-year special education classes is to be kept in the same separate register used during the regular year for special day classes. Additional information may be found in 5 CCR, Section 3043.

COMPUTATION OF ATTENDANCE

The Minimum Day. State law provides that if attendance is to be counted, school must be held for the minimum day established for the grade or program. No specific exceptions are made for the opening day of the school year, the day before a holiday, or the closing day of the school year; but averaging is allowed as set out in the *Education Code*. All minimum days in grades kindergarten through eight are exclusive of noon intermissions.

For apportionment purposes the minimum school day for grades one through three is 230 minutes, exclusive of recesses. For grades four through eight, the minimum day is 240 minutes, also exclusive of recesses. However, the minimum day for kindergarten is 180 minutes, *inclusive* of recesses. (*Education Code* Section 46119 deals with 150-minute kindergarten classes.)

SPECIFIC INSTRUCTIONS

REGULAR DAY CLASSES AND SPECIAL DAY CLASSES

PROCEDURES FOR KEEPING THE REGISTER

Space is provided on pages 4 through 15 for recording attendance for a *school month*, which is four calendar weeks of five days per week or 20 days, including legal holidays but excluding weekend make-up classes (*Education Code* Section 37201). School months are consecutive throughout the school year. Every day of the school year must be accounted for, including the opening and closing days of school. For the purposes of counting attendance when a school calendar is being set up, the winter vacation period, or any portion thereof, may be excluded in the definition of a school month (*Education Code* Section 37201 (a)). See *Education Code* Section 37223 for information regarding weekend classes.

Column 1, Names of Pupils. Enter the teacher's name and the names of the pupils. The method of entering names may vary according to type of school district, number of grades taught,

class size, and the like. For the avoidance of errors in the computation of attendance, it is good practice not to rewrite names more often than every other school month.

When several grades are taught by the same teacher, it may be best to enter students' names in alphabetical sequence by grade. All pupils may be listed in a single register according to grade, with lowest grade first and other grades in order and one or more spaces between grade listings. Separate registers must, however, be kept for special categories of students (see page I for "Attendance Categories"). A subcolumn, "Special education placement," is provided for school districts that want to note this information.

Columns 2-5, Days of Attendance. Except when a pupil is excused in accordance with the provisions of 5 CCR, sections 405(a), 405(c), and 406(a), make no entry for any pupil (except for tardiness exceeding 30 minutes) for those days when

the pupil is present for a portion of the class period or for any day for which he or she is enrolled. At the end of the month, the number of days the pupil was in attendance plus verified excused absences are to be totaled and entered in Column 10, "Days of apportionment attendance."

Draw a line through all spaces representing days when a pupil was not a member of the class. Enter the total of those spaces in Column 6, "Days not enrolled."

Days of Absence. Show all days of actual absence of an enrolled pupil for any reason, including those excused absences set out in *Education Code* Section 46010. Absences of pupils enrolled in school shall be recorded only when such absences meet the provisions of 5 CCR, sections 402 and 403.

Absences that may be credited for apportionment purposes are those due to illness; quarantine; medical, dental, optometrical, or chiropractic appointments; the pupil's attendance at a funeral for a member of the pupil's immediate family (one day in state; three days out of state); jury duty; and exclusion of students failing to meet immunization requirements (five-day limit). Such absences may be reported as apportionment attendance for:

1. Pupils enrolled in regular classes
2. Pupils enrolled in special day classes
3. Pupils enrolled in continuation education high schools and classes
4. Pupils enrolled in classes maintained by a county superintendent of schools
5. High school pupils concurrently enrolled in regional occupational centers or programs

What Constitutes Illness? Impetigo, scabies, ringworm, pediculosis, and the like have been classified as illness. A pupil who contracts an illness of a prolonged nature or who has been a victim of an accident which will prevent attendance for a prolonged period should be counted as absent because of illness only until such time as he or she is able to undertake and actually start instruction at home or in a hospital. Absence because of illness may not be credited as attendance beyond the then-current school year.

To be counted for apportionment purposes, valid absences must be verified by a school nurse or public health nurse, principal, teacher, attendance supervisor, physician, or qualified district employee assigned to make such verification (5 CCR, Section 421). The verification shall be made in accordance with any reasonable method which establishes the fact that the pupil met the "excused" absence conditions set out in *Education Code* Section 46010. The method must be approved by the school district governing board by resolution or, in the case of a school or class maintained by a county board of education, by resolution of the county board of education.

All verification of absence pursuant to *Education Code* Section 46010 must be completed before totals are entered in columns 8 and 10 of each "Daily Attendance Record."

After verification of (excused) absences, identify such absences by circling them in ink. All such nonattendance shall be included in columns 8 and 10, "Days of apportionment absence" and "Days of apportionment attendance" and as part of the summary.

Staff development days (with no students in attendance) are approved by the local governing board. In the register the vertical column representing the day selected and actually used for staff development is to be labeled "Staff development."

The staff development day must be a regularly scheduled instructional day; that is, a day on the school calendar. The total apportionment attendance (actual plus excused attendance) for *either* the day prior to *or* the day subsequent to a staff development day shall be considered as earned apportionment credit for that day. These dates shall not exceed eight per year for each participating staff member.

Legends: Special Symbols for Entering or Leaving. When a pupil enters class or leaves a class, make entries in the "Daily Attendance Record" as follows:

"E" in the space representing *the first day of attendance*.

In some school districts additional symbols may be desired, especially for gathering data on mobility within the district. School districts that desire to have more detailed enrollment accounting will need to identify the special symbols used.

"R" to identify the date of return of a pupil who leaves a school and returns to the same school during the same year.

"L" in the space representing the last day of attendance to identify and establish the leaving date of a pupil transferring out of any school or out of one room into another in the same school. If a pupil has been absent for one or more days before it is known whether he or she is leaving, enter the symbol "L" in the square for the last day of attendance.

Absence Notation. Attendance notations for at least the following situations should be identified by school board policy; however, no state law or regulations specify the precise legends to use.

1. Absence not qualified for apportionment purposes as well as not approved by school board policy (e.g., for shopping, babysitting, and the like)
2. Absence not qualified for apportionment purposes but excused on the basis of justifiable personal reasons (*Education Code* sections 46015 and 48205)
3. Suspended or administratively denied instructional activity
4. Full-day absence verified and qualified under the provisions of *Education Code* Section 46010
5. Tardiness (30 minutes or more) or partial-day absence that qualified for a full day of apportionment credit

Holidays (*Education Code* Section 37220) should be indicated in the register by ruling a line through the column or columns representing such days and entering "Holiday" in such columns.

Column 6, Days Not Enrolled. This column is not to include any holidays or any days for which absence is recorded, regardless of the length of such absence. Record in Column 6 only those days (excluding holidays) during which the pupil was not a member of the class.

Column 7, Days of Nonapportionment Absence. Record in this column only those days or portions of days when a pupil was absent for reasons other than those listed in *Education Code* Section 46010. For example, include absences for visiting out of town, shopping, missing the school bus, truancy, and suspensions.

Column 8, Days of Apportionment Absence. Enter in this column the total of all absences for reasons listed in *Education Code* Section 46010. These are the circled absence notations.

Column 9, Actual Attendance. This column is a summary of all days or portions of days of actual participation. This column would not include verified excused absences.

Column 10, Days of Apportionment Attendance. Enter in Column 10 the total of (1) all days of attendance; (2) days of nonattendance for reasons listed in *Education Code* Section 46010 (excused absences); and (3) attendance credited for staff development days.

Monthly Computation of Attendance Statistics

At the bottom of each "Daily Attendance Record" page, a place is provided for computing and for proving that the a.d.a. has been summarized appropriately.

1. *All pupils* is defined to include any student enrolled for any part of that school month.
2. Days taught are actual instructional days, including staff development time. Holidays are not included. The maximum number of instructional days for any school month is 20.
3. Actual attendance is the number of full or partial days of attendance and is a summary of the figures in Column 9.
4. Possible attendance is the total of enrolled pupils multiplied by days taught, less the days not enrolled.
5. The ratio of actual attendance divided by possible attendance (multiplied by 100) yields the percent of actual attendance.

Certification. Provision is made on each of pages 4-15 for the signature of each teacher (other than a substitute teacher) or other authorized employee to certify to the record for the period represented on the page.

Legal References

<i>Subject</i>	<i>Education Code Section</i>	<i>Recess</i>	
Absences		and maximum kindergarten school day; exemptions	46111
and total days of attendance	46010		46115
due to illness or quarantine	46011		46117
excused, for personnel reasons-a.d.a.		duty concerning conduct of pupils during	44807
computation	48205	restrictions	44807.5
not generating apportionment payments	46015		
verification of	46012	Records	
Admission		attendance, to be kept according to State Board of Education regulations	46000
and tuition, transportation, and a.d.a. for foreign residents	48052	Residency requirements	
for residents of adjoining foreign country	48051	and interdistrict attendance	48204
for residents of adjoining states	48050	for pupils with temporary disabilities in hospitals outside school district	48207
minimum age for	48010		
of nonresidents of districts	48031	Summer school	
on completing kindergarten; grade placement	48011	instructional prograrps for certain pupils	37252
Attendance, compulsory school		instructional programs in mathematics, science, and other core academic areas;	
for children between six and eighteen years of age	48200	grants, operation, rules and regulations	37253
weekly minimum requirement for	48400	Suspension or expulsion	
Attendance exclusion		and hearing by county board; manner of	48920
minimum age for	48210	hearing expulsion appeal	
rules and regulations on	48214	grounds for; legislative intent	48900
Average daily attendance		Work permits	
for kindergarten and elementary schools	46320	continuation classes (part-time) for minors with	49135
Class size		exemption from, for horseback-riding	
apportionments and allowances; kindergarten classes	41378	exhibitions	49119
minimum standards for; apportionments;		false statements about, and penalties	49183
reports; rules and regulations	41376	issuance of, and jurisdiction over	49110
Excused absences		issuance of, for family support	49130
and total days of attendance; absences		violations of, and action against employer	49180
excluded in computing attendance	46010		
Exemptions from attendance			
classes of children affected by	48220		
for pupil of 15; conditions; review and report on program	48232	<i>Subject</i>	<i>California Code of Regulations, Title 5, Education</i>
Field trips		Absence	
and excursions	35330	allowable as attendance	420
transportation for, by chartered airline	35332	due to illness or quarantine	422
Holidays		due to prolonged illness	423
commemorative exercises on school	37221	duty	303
	37220	explanation of	306
		method of verification	421
Independent study		Admission standards	
authorized; curriculum; restrictions	51745	for first grade from kindergarten	200
services and resources	51746	for high school	201
Private school		Exclusion of attendance	
attendance in	48222	Pupils with contagious disease	202
instruction in, by tutor	48224	Individual pupil records	
Pupil records		definitions of pupils	430
legislative intent affecting	49060	transfer of records	438
subpoena of public school employee to produce school records; copy of record in lieu of personal appearance	49078	Independent study	
		definition of	11700
		records related to	11703
		Recess	
		detention during	352
		leaving room at	304
		playground supervision during	5552

DAILY ATTENDANCE RECORD

(Make all entries in ink.)

[illegible]

*Column 10 shall include the days of attendance and total of all circled absence entries.

Unexcused		Non-a.d.a.
Personal reason		
Truancy		
Suspension		
Apportionment absence		A.d.a.
Tardy		

Total enrolled students _____
multiplied by _____
 Days taught _____
equals _____
 Proof factor _____
minus _____
 Days not enrolled _____
equals _____
 Possible attendance _____

Actual attendance _____
divided by _____
Possible attendance _____
equals _____
Percent of actual _____
attendance _____

PROOF FOR MONTH: Total number of names times number of days taught shall equal the sum of the totals in columns 6, 7, and 10.

School month _____ Beginning _____ 19____

Ending _____ 19____ Number of days taught _____

CERTIFICATION

To the best of my knowledge and belief this State School Register page has been kept as required by law and in accordance with the instruction of the Superintendent of Public Instruction.

[[Signed]] _____
Teacher or authorized employee

**FORM FOR KEEPING AND PROVING DAILY
ATTENDANCE DATA**

(The use of this form is optional.)

	1	2	3	4	5	6	7	8	9
Month	Enroll- ment ¹	Days taught	Total days account- able (Col. 1 × Col. 2)	Days not enrolled	Days absent other than for illness	Days of apportion- ment attendance	A.d.a. (Col. 6 ÷ Col. 2) ²	Percent apportionment attendance (Col. 6 ÷ [Col. 5 + Col. 6])	Percent of actual attendance
Example	(30)	(18)	(540)	(34 00)	(7 00)	(499 00)	(27 72)	(98 61)	(92 50)
1st									
2nd									
3rd									
4th									
5th									
6th									
7th									
8th									
9th									
10th									
11th									
12th									
Total									

Proof — Column 1 multiplied by Column 2 equals Column 3. Column 3 must equal the sum of columns 4, 5, and 6. See example below:

Column	(Example)	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th
1	30												
2	×18												
	240												
	30												
3	540												
4	34 00												
5	7 00												
6	499 00												
Total	540 00												

¹Enrollment = number of children enrolled on the first day of the school month plus any who enter during the month.

²This column is headed "A.d.a." Strictly speaking, a.d.a. is a measure on the annual (fiscal) year basis. The quotient for one school month represents the *rate* of a.d.a., provided the school year is completed with not less than 175 days taught. The actual a.d.a. for the entire fiscal year must be derived by dividing the total of Column 6 by the total of Column 2. No attempt should be made to average entries in Column 7.

Number of pupils graduated from eighth grade:

First semester: Boys _____ Girls _____ Total _____

Second semester: Boys _____ Girls _____ Total _____

Totals Boys _____ Girls _____ Total _____

CLOSING CERTIFICATION

(In case this register has been kept by two or more teachers or on behalf of one or more teachers, the certification shall be completed by the person who kept the attendance for the final school month.)

To the best of my knowledge and belief this State School Register has been kept as required by law and in accordance with the instructions of the Superintendent of Public Instruction, and the teacher's annual report to the principal or superintendent of schools (unless exempt) is an exact transcription of the annual report which appears on this page and on the supplemental register sheets attached hereto and made a part hereof.

[Signed] _____

Teacher or authorized employee

The daily program of class activities is to be placed in the register *if required by the district governing board*. The program should be entered as soon as possible after school opens. The program should be in such detail that it will serve as a guide for a substitute or for a new teacher in case of resignation or transfer of the original teacher.

[illegible]

APPENDIX B

PARTICIPATING SCHOOL DISTRICTS

<u>SMALL DISTRICTS</u>	<u>SMALL DISTRICTS</u> <u>(continued)</u>	<u>LARGE DISTRICTS</u>
Alpine Union ESD	Savanna ESD	Bakersfield City ESD
Antioch USD	Selma USD	Chino USD
Arcata ESD	Soquel ESD	Chula Vista ESD
Bishop Union ESD	South Whittier ESD	Clovis USD
Buena Park ESD	Susanville ESD	Corona-Norco USD
Calexico USD	Turlock Joint ESD	Cupertino Union ESD
Charter Oaks USD	Ukiah USD	Elk Grove USD
Dublin USD	Wasco Union ESD	Fontana USD
Eureka Union ESD	Wheatland ESD	Fresno USD
Galt Union ESD		La Mesa-Spring Valley ESD
Goleta Union ESD	<u>MEDIUM DISTRICTS</u>	Lodi USD
Grass Valley ESD	Chico USD	Long Beach USD
Gustine USD	Cotati-Rohnert Park USD	Los Angeles USD
Hollister ESD	El Centro ESD	Madera USD
Klamath-Trinity Joint USD	El Rancho USD	Mount Diablo USD
Konocti USD	Fountain Valley USD	Oakland USD
Lemon Grove ESD	Fullerton ESD	Oxnard ESD
Lowell Joint ESD	Gilroy USD	Pasadena USD
Milbrae ESD	Livermore Valley Joint USD	Poway USD
Mother Lode Union ESD	Las Virgenes USD	Riverside USD
Norris ESD	Madera USD	Sacramento City USD
North Monterey County USD	Marysville USD	Saddleback Valley USD
Novato USD	Monterey Peninsula USD	San Bernardino USD
Orcutt ESD	New Haven USD	San Diego USD
Orland Joint USD	Pajaro Valley USD	San Francisco USD
Oroville ESD	Palm Springs USD	San Jose USD
Paradise USD	PittsburgUSD	San Juan USD
Patterson Joint USD	Redlands USD	Santa Ana USD
Placerville Union ESD	Redwood City ESD	Stockton USD
Redding ESD	Rio Linda ESD	Vallejo USD
Rescue Union ESD	Salinas City ESD	West Contra Costa USD
River Delta USD	Santa Barbara ESD	
Rocklin USD	South San Francisco USD	
San Bruno USD	Sylvan Union ESD	
San Luis Coastal USD	Vacaville USD	
San Rafael City ESD	Ventura USD	
Santa Rita Union ESD	Walnut Valley USD	
Santa Rosa City ESD	Whittier ESD	
Saugus Union ESD	Yuba City USD	

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APPENDIX C

AUTOMATED ATTENDANCE ACCOUNTING SYSTEMS

During this review, we contacted representatives of 11 marketers of automated attendance accounting systems that are still being supported by the company to determine the capabilities of each system and to obtain the names of school districts that were using their software districtwide. For the same purpose, we also contacted a representative of the San Diego County Office of Education (SDCOE).³⁴ The software developers and the number of elementary and unified school districts in California that are participating in the CSR Program and using each developer's product districtwide (i.e., not merely at selected school sites) appear in Table 2.

The names of 573 elementary and unified districts participating in the CSR program and using the developers' software districtwide appeared on the customer lists supplied by the firms and the SDCOE. However, some of the names were duplicated, i.e., they were listed by more than one firm. After we eliminated the duplicate names, we found that 555 districts are using at least one of the products listed in Table 2.

During our survey of school districts, we learned that several districts are using an automated attendance accounting system they have developed on their own or have customized another company's software for the district's use. To determine whether other districts employed automated attendance accounting systems of their own making or systems that were developed by firms we had not surveyed, we contacted large districts whose names were not on any of the customer lists obtained from the developers listed in Table 2 and who were not included in our survey. In total, we found 28 districts that use their own automated attendance accounting system or a system developed by another firm that has been customized to meet the district's needs. Consequently, it appears that at least 583 of the 875 districts that are participating in the CSR Program in 1997-98³⁵ are using automated attendance accounting systems that are currently being supported. Most of the remaining districts are very small: only 23 of them operate more than four schools.

³⁴ The SDCOE developed and maintains an attendance accounting system for many districts located in San Diego County. Several districts in Imperial County have begun using the SDCOE's system, and others are scheduled to begin installing it sometime this school year.

³⁵ In addition, 22 charter schools are participating in the CSR Program independent of their sponsoring district. In total, there are 897 program participants during 1997-98.

TABLE 2
DISTRICTS USING AUTOMATED ATTENDANCE ACCOUNTING SYSTEMS

Name of Software Developer	Number of Districts^a Using Product
National Computer Systems (<i>SASI III</i> and <i>SASI XP</i>)	330
Hitech	60
Quintessential School Systems (<i>Carter-Pertaine</i>)	50
SchoolWise, Inc.	29
Chancery Software Ltd. (<i>Macschool</i>)	27
Digitronics Software	19
San Diego County Office of Education	18
Netel Educational Systems (<i>SchoolNet</i>)	14
Olympia Computing Company (<i>School Master</i>)	13
Eagle Software (<i>Easy-97</i>)	7
Pentamation	4
Maplewood	2
<i>Subtotal</i>	<u>573</u>
Less Duplicates	<u>-18</u>
<i>Subtotal</i>	<u>555</u>
Districts using their own, or customized, systems	28
<i>Total Number of Districts with Automated Systems</i>	583

^a Elementary and unified school districts only. The number of districts reported by the software developers to be using the developers' software has been adjusted to exclude districts that are not participating in the CSR Program and districts using the software only at selected schools within the district.

We also asked the software developers and districts that are operating their own (or customized) attendance accounting systems if they currently have a report capable of producing the average daily class size of specific classes or if they currently are developing such a report. The firm with the greatest number of customers, National Computer Systems (NCS), already made such a report available to its SASI III customers in its January 1998 software upgrade. NCS also created the same report for the SASI XP version of its software and will include the report in its April 1998 software upgrade. The SDCOE and two other software firms, SchoolWise, Inc. and Eagle Software, also have developed such reports and have made the software available to their customers. One firm, Digitronics Software, is actively developing such a report, which was requested by five of the firm's California customers, and three other firms, HiTech, Quintessential School Systems, and Olympia Computing Company, indicated that they expect to release such a report before the end of the school year. A representative for Chancery Software Ltd. said that the report will be part of the firm's Macschool Version 4.1.1, which is expected to be released in mid-

to-late-August, 1998. Netel Educational Systems, Pentamation and Maplewood have not yet begun working on the report. A representative for Netel stated that the firm has received a request for such a report from one of its customers but that the firm currently is undertaking a major rewrite of its software that is expected to be released in Georgia in early 1998. The company expects the software to be ready for implementation in California in April or May but was unable to say that the report will be included in the release. At this point, Pentamation and Maplewood have no plans to develop such a report because none of their customers has requested it.